THE MODERATING ROLE OF PSYCHOLOGICAL WELLBEING: ORGANIZATIONAL VIRTUOUSNESS AND WORK ENGAGEMENT

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Abstract

The study examined the positive organizational behavior concepts as psychological wellbeing, organizational virtuousness and work engagement. The research model was developed highlighting the relationship between organizational virtuousness and work engagement moderated through psychological wellbeing. Using a sample of 107 employees, the relationships were tested by analyzing the responses of employees working in cement and ready-mix concrete sectors. The findings of this study reveal a strong relationship between organizational virtuousness and work engagement. On the other hand, psychological wellbeing didn't moderate the relationship. The study discusses the implications of the presented findings and suggests potential practical applications.

Keywords: Psychological Wellbeing, Organizational Virtuousness, Work Engagement.

1. Introduction

Number of studies in psychology and organizational behavior has become interested in understanding and examining of positive aspects of people. Positive psychology and positive organizational behavior concerns the application of psychology to improve the quality of work life and to protect and promote the safety, health, and well-being of workers. POB refers to 'the study and application of positively oriented human resource strengths and psychological capacities that can be measured, developed, and effectively managed for performance improvement in today's workplace' (Luthans, 2002a: 59). POB has adopted a cross-disciplinary perspective, drawing from the established theory building and empirical findings in clinical and developmental psychology (Youssef and Luthans, 2007). Some topics are most often addressed in publications as positive leadership, positive organizational development and change, psychological capital, organizational virtuousness, happiness at work, well-being at work, work-engagement, compassion, hope, work-life relationships (Donaldson and Ko, 2010: 181). In this study, we have tried to build relationship between organizational virtuousness, psychological wellbeing and work engagement.

Virtue-based theories have improved over the years, not only in philosophy, but also in organizational scholarship. When organizations promote ethical and virtuous work environment, they tend to generate values and high performance (Bright and Fry, 2013: 7). There has been much interest about the effects of virtues in the workplace (Burke, Ng and Fiksenbaum, 2009: 2013). Virtues are associated with higher levels of psychological health, psychological wellbeing and high effort. We proposed that perceptions about virtuousness in the organization create employees' active, positive, work-related state. In this relationship, psychological wellbeing that represents a generalized feeling of happiness (Schmutte and Ryff, 1997: 551) moderates the relationship between organizational virtuousness and work engagement. In high psychological wellbeing level, the effect of organizational virtuousness on work engagement will increase, in low psychological wellbeing level; the effect of organizational virtuousness on work engagement will decrease.

In the following section, we elaborate on the concept of organizational virtuousness and develop the model and relevant hypotheses. The methods section provides details about the sample, data collection, and measures. Then, we present the empirical findings and conclude with a discussion of the results, implications, and issues for further research.

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2. Theoretical Background and Hypothesis Formulation
2.1. Organizational Virtuousness and Work Engagement

Organizational virtuousness is differing from organizational values that are components of organizational culture (Vallett, 2010: 131). Organizational virtuousness has been formally defined as "individuals' actions, collective activities, cultural attributes, or processes that enable dissemination and perpetuation of virtuousness in an organization" (Cameron et al., 2004: 768). It consists of three key indicators—moral goodness (what is good, right, and worthy of cultivation), human impact (helping individuals flourish, exhibit moral character, self-control, resilience, and purpose, and follow transcendental principles), and social betterment (Searle, Barbuto, 2010: 8). The entire organization is influenced positively by individual virtuousness, therefore individual virtuousness creates organizational virtuousness (Cameron, Bright and Caza, 2004: 771).

Organizational virtuousness has two forms as virtue in organization and virtue through organizations. Virtuousness in organizations refers to the behaviors of individuals in organizations that help people flourish as human beings. Virtuousness through organizations relates to factors that foster virtuousness (Bright, Cameron and Caza, 2006: 252). ''A general definition of organizational virtuousness includes individuals' actions, collective activities, cultural attributes, or processes that enable dissemination and perpetuation of virtuousness in an organization'' (Cameron, Bright and Caza, 2004: 768). Virtuousness in organizations has some attributes as it foster harmony in a relationship, sense of meaning and well-being, virtues are experienced cognitively, emotionally and behaviorally, has amplifying and buffering effect (Manz et al., 201: 5).

Organizational virtuousness as a part of positive organizational behavior was found to be related with positive organizational outcomes. One of the positive concepts of the study about positive outcomes, processes and attributes of organizations and members (positive organizational behavior) is job engagement. Engagement can be defined as long-term commitment, written or unwritten agreement between parties (Welbourne, 2007: 45). Personal engagement was described by Kahn in 1990. Kahn (1990) reflects engagement the extent to which a person is psychologically present in the performance of their work roles (Saks, 2008: 41; Wefald and Downey, 2009: 91). It involves the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances'' (Rich, Lepine and Crawford, 2010: 617). According to Kahn (1990), employee engagement is different from other employee role constructs such as job involvement, organizational commitment or instric motivation (Luthans, 2002: 377). Employees can be emotionally, cognitively or physically engaged. To be emotionally engaged is to form meaningful connections to others and to experience empathy and concern for others'feeling. In contrast, being cognitively engaged refers to those who are acutely aware of their mission and the role in their work environment (Luthans, 2002: 378). 5 Indeed, the concept of work engagement emerged from burnout research, namely as an attempt to cover the entire spectrum running from employee unwellbeing (burnout) to employee wellbeing (Schaufeli, Taris and Van Rhenen, 2008: 176). It was only recently that work engagement was empirically included in burnout research, and also approached as a concept in its own right (Hallberg, Johansson and Schaufeli, 2007: 135). Schaufeli et al (2002) defined engagement as a persistent and positive affective-motivational state of fulfillment in employees, characterized by vigor, dedication, and absorption. According to Schaufeli, et al., (a) vigor is high energy, resilience, a willingness to invest effort on the job, the ability to not be easily fatigued, and persistence when confronted with difficulties; (b) dedication is a strong involvement in work, enthusiasm, and sense of pride and inspiration; and (c) absorption is a pleasant state of being immersed in one's work, experiencing time passing quickly, and being unable to detach from the job (Wefald and Downey, 2009: 92).

Virtues in individuals are related with desirable outcomes, individual commitment, satisfaction, positive emotions and psychological health, but empirical studies has not take attention at organizational level (Cameron, Winn, 2013: 236) Organizational virtuousness may be important contributor for work engagement. It has buffering and amplifying effect, with another word, virtuousness has tendency to buffer the organization from harm, amplifies the positive consequences (Cameron, 2007: 136). It can promote work engagement through job resources, job demands by balance between them that can enhance the experiencing vigor, dedication and absorption (Youssef-Morgan and Bockorny: 2013: 45).

Therefore, we hypothesize:

H1: Perceptions of higher organizational virtuousness are positively associated with work engagement

2.1.   Psychological Wellbeing as a Moderator

There is a growing interest in the positive aspects of psychological functioning, especially in psychological well-being (Lindfors, Berntsson and Lundberg, 2006, 1214). Ryff (1989, 1995) proposed a multi-dimensional model of psychological wellbeing that involves such dimensions as self-acceptance, personal growth, purpose in life, positive relations with others, environmental mastery and autonomy (Carmeli, Yitzhak and Weisberg, 2009,38). Ryff developed the dimensions on the basis of mental health and life span developmental theories (Dierendonck, 2005, 629). These dimensions can be described as follows: (Ryff, 1989, 1071-1072).

Self-acceptance: A positive attitude toward the self, accepting good and bad qualities, feel positive about his or her past actions.

Positive relations with others: People have sincere and trust-based relationship with other people, show empathy and take care of others.

Autonomy: evaluating herself or himself according to personal standards is independent and self-determining.

Environmental mastery: one's ability to change the environment through physical and mental abilities. Person is active on participation to environment and he or she control complex external activities.

Personal growth: Person continues to develop his potential to grow and expand as a person (Ryff and Singer, 1996, 15).

People with high psychological well-being have better physical health, satisfied with life, positive emotions, feeling happy and supported (Winefield, 2012, 2). Perceptions of higher virtuousness predict more organizational citizenship behaviors and high commitment with role of well-being or happiness at work (Sison, 2015, 89; Rego *et al*. 2010, 2011). Research have clearly demonstrated that people with positive feelings and   psychologically   well   people   have   the resources to foster high level of performance and commitment (Wright, Cropanzano, Bonett, 2007: 94).

Therefore, we hypothesize:

H2: Psychological wellbeing moderates the relationship between organizational virtuousness and work engagement

3.   Method

3.1. Sample and Data Collection

This study uses a convenience sample of 107 employees from 2 companies in cement and ready-mix concrete sectors. Total employees in these companies are 347. All data were collected using anonymously completed self-report questionnaires. Participants who volunteered to contribute to this study by responding to the questionnaire were assured of the confidentiality of their responses.

Table 1. Sample Characteristics

	n	%		n	%
Status			**Age in years**		
Employee	74	%70	25-35	30	%28
Manager	33	%30	36-45	69	%64
Gender			46 and above	8	% 8
Women	18	%17	**Total tenure**		
Men	89	%83	0-10	30	%28
Level of Education			11-20	73	%68
Less than High school	21	%19	21 and above	4	%4
High school	16	%15	**Tenure at current work**		
Undergraduate degree	51	%47	0-10	53	%49
Postgraduate degree	19	%18	11 and above	54	%51

Table 1 presents the sample characteristics of this study. The majority of the respondents are men (%83), in the position of employee (%70), between 36-45 ages, have undergraduate level education (%47), have 11-20 total tenure (%68) and 0-10 tenure at current work (%51).

Figure 1 provides an overview of all hypothesized relationships. Organizational virtuousness was determined as independent variable, work engagement as dependent variable and psychological wellbeing as moderator variable.
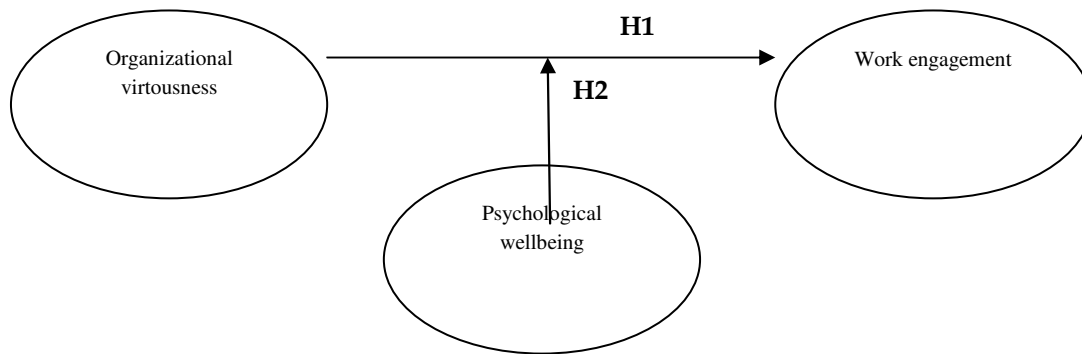
Figure 1: Hypothesized Model

3.2. Measures

To test the hypothesized model, participants completed measures that addressed organizational virtuousness, work engagement, and psychological wellbeing. Demographic information was also requested.

Organizational Virtuousness Measurement

Organizational virtuousness scale was used with 15 six point items proposed by Cameron et al (2004). The items were translated from English into Turkish by a first translator and then independently back-translated into English by a second translator. The final version was discussed with researchers, and some final adjustments were made. The subscale optimism includes 3 items (e.g., ''We are optimistic that we will succeed, even when faced with major challenges''), the subscale trust includes 3 items (e.g., ''People are treated with courtesy, consideration, and respect in this organization''), the subscale compassion includes 3 items (e.g., ''This organization is characterized by many acts of concern and caring for other people''), the subscale integrity includes 3 items (e.g., ''This organization demonstrates the highest levels of integrity''), the subscale forgiveness includes 3 items (e.g., ''We have very high standards of performance, yet we forgive mistakes when they are acknowledged and corrected''). Items are scored on a 6-point Likert scale ranging from 1 (strongly disagree) to 6 (strongly agree).

Work Engagement Measurement

Work engagement was measured with 17 items from the Utrecht Work Engagement Scale (Schaufeli, Bakker & Salanova, 2006). Three dimensions of work engagement as vigor, dedication, absorption were used to assess. The subscale vigor includes six items (e.g., ''At work, I feel full of energy'') and the subscale dedication includes five items (e.g., ''I am enthusiastic about my job''). Items are scored on a 6-point Likert scale ranging from 1 (strongly disagree) to 6 (strongly agree). Items are scored on a 6-point Likert scale ranging from 1 (never) to 6 (always).

Psychological Wellbeing Measurement

Psychological wellbeing was measured with 18 items from Ryff's 6-factor PWB (Ryff, 1989; Ryff and Keyes, 1995). Self-acceptance, positive relations with others, autonomy, environmental mastery, purpose in life and personal growth were used as dimensions to measure psychological wellbeing. The subscale self-acceptance includes three items (e.g. I like most aspects of my personality.), the subscale positive relations with others includes three items (e.g. I have not experienced many warm and trusting relationships with others (R)), the subscale autonomy includes three items (e.g. I tend to be influenced by people with strong opinions), the subscale environmental mastery includes three items (e.g. The demands of everyday life often get me down (R), the subscale purpose in life includes three items (e.g. I live life one day at a time and don't really think about the future.(R)), the subscale personal growth includes three items (e.g. For me, life has been a continuous process of learning, changing and growth Items are scored on a 6-point Likert scale ranging from 1 (strongly disagree) to 6 (strongly agree).

4. Results

The results of this study will present reliability scores of variables, descriptive statistics, correlation analyses of variables and interaction analysis between dependent and independent variables considering the effect of moderating variables in research model.

4.1. Reliability of Scales

Cronbach's coefficient alpha was utilized and all the scales demonstrated high reliability of over .70 (Table 2). Mean scores and standard deviations were also presented in this table. The highest

mean score is 5,23/6 as integrity, subdimension of organizational virtuousness. Many participants report that purpose as subdimension of psychological wellbeing was low (M=3,17; SD=,48). For main dimensions, the mean value of organizational virtuousness was found as 4,86; for work engagement was found as 4,11 and for psychological wellbeing was found as 3,99.

Table 2. The Summary Statistics of Variables

Factors	Number of questions	Mean	SD	α
Organizational virtuousness	15	4,86	,69	,966
Optimism	3	4,79	,82	,912
Trust	3	4,96	,79	,903
Compassion	3	4,86	,73	,871
Integrity	3	5,23	,76	,932
Forgiveness	3	4,46	,73	,848
Work Engagement	17	4,11	,44	,911
Vigor	6	4,18	,42	,800
Dedication	5	4,29	,46	,795
Absorption	6	3,89	,65	,896
Psychological Wellbeing	18	3,99	,34	,701
Self-acceptance	3	4,32	,67	,654
Positive relations	3	3,09	,55	,683
Autonomy	3	4,67	,70	,826
Environmental mastery	3	4,84	,59	,728
Personal growth	3	3,86	,44	,680
Purpose	3	3,17	,48	,780

4.2. Test of Hypotheses

In Table 3, correlation results were applied to each variable (Organizational virtuousness, psychological wellbeing, work engagement and subdimensions of variables). As shown in Table 3, organizational virtuousness was significantly and positively correlated with work engagement (r=,224; p<,001). All subdimension of organizational virtuousness were significantly and positively related with work engagement and subdimension of work engagement as vigor. For example, integrity dimension of organizational virtuousness is correlated with vigor as ,393; p<,05. As a result, H1 hypothesis as *Perceptions of higher organizational virtuousness are positively associated with work engagement was supported.*

Also, organizational virtuousness was significantly and positively correlated with psychological wellbeing (r=,472; p<,05). It is highly correlated with subdimension of psychological wellbeing as positive relations (r=,626; p<,05).

To test the other main hypothesis of psychological wellbeing on the organizational virtuousness-work engagement relationship, Baron and Kenny's (1986) technique was used. The moderating role of psychological wellbeing is analyzed by hierarchical regression analysis as given in Table 4. To calculate the interaction between independent and moderating variables, raw scores are subtracted from the mean score, which is repeated for each variable. The output scores of one variable is multiplied by the output scores of the other, forming an interaction variable (organizational virtuousness X psychological wellbeing) and this interaction variable is added to analysis (Baron and Kenny, 1986, 1176).

Table 3: Correlation Analysis for Variables

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1. Organizational virtuousness	1															
2. Optimism	,907**	1														
3. Trust	,941**	,860**	1													
4. Compassion	,939**	,801**	,884**	1												
5. Integrity	,885**	,706**	,783**	,822**	1											
6. Forgiveness	,868**	,736**	,739**	,765**	,712**	1										
7. Employee Engagement	,224*	,160	,120	,230*	,335*	,177	1									
8. Vigor	,322*	,276*	,247*	,291*	,393*	,254**	,866*	1								
9. Dedication	,144	,201	,092	,109	,148	,097	,812*	,724*	1							
10. Absorption	,135	,008	,015	,188	,299*	,116	,871*	,580*	,490*	1						
11. Psychological Wellbeing	,472*	,519*	,520*	,446*	,296*	,351*	,001	,092	,166	-,155	1					
12. Self-acceptance	,287*	,346*	,320*	,215*	,196	,215*	,154	,142	,317**	,015	,731**	1				
13. Positive relations	,108	,145	,135	,144	-,022	,085	-,271*	-,181	-,320**	-,210*	,171	-,314**	1			
14. Autonomy	,542*	,596*	,573*	,514*	,351*	,414*	,092	,159	,213*	-,052	,860*	,594*	,090	1		
15. Environmental mastery	,626*	,597*	,625*	,585*	,544*	,484*	,196	,318*	,267*	,010	,734*	,593*	-,161	,744*	1	
16. Personal growth	,015	,043	,047	-,003	-,045	,020	-,128	-,074	,037	-,219*	,477*	,292*	-,057	,220*	,169	1
17. Purpose	-,061	-,053	-,006	-,008	-,111	-,102	-,155	-,148	-,034	-,181	,492*	,250*	,144	,197*	,053	,263**

Table 4: Moderating Role of Psychological Wellbeing

Independent Variable	R²	Δ R²	Adj. R²	df	F	(p)	β	t	(p)	VIF
1. Step: Organizational Virtuousness	,050	,050	,041	1	5,531	,021	,224	2,352	,021	1.000
2. Step: Organizational Virtuousness Psychological Wellbeing	,064	,064	,046	2	3,557	,032	,287 -,134	2,667 5,392	,009 ,215	1,287 1,287
3. Step: Organizational Virtuousness Psychological Wellbeing Organizational Virtuousness X Psychological Wellbeing	,065	,065	,038	3	2,383	,074	,288 ,131 ,030	2,660 -1,202 ,310	,009 ,232 ,757	1,287 1,301 1,017

Dependent variable: Work engagement

In the first step of the analysis, the effect of organizational virtuousness on work engagement was tested. H1 hypothesis is tested (β= ,224; p= ,021). According to results of the moderating analysis, psychological wellbeing doesn't have any moderating effect between organizational virtuousness and work engagement. Therefore, H2 hypothesis as *Psychological wellbeing moderates the relationship between organizational virtuousness and work engagement* is rejected.

Discussion

Organizational virtuousness explains large amount of positive variables as satisfaction, performance, commitment, identification and so on. In this study, we propose that the perceptions about high organizational virtuousness create more engaged employees. Also, in this relationship, we use a moderator variable to the research model in order to understand how these relations were shaped. Psychological wellbeing is selected as a moderator, because people with high psychological well-being have better committed and engaged to their job. We assumed that If employees have high psychological well-being, the effect of organizational virtuousness on work engagement will more increased.

Firstly, a significant implication was found only between organizational virtuousness and work engagement. This indicates that employees in cement and ready-mix concrete sectors feel that their companies are virtuous companies and their employees' work engagement is driven by concern and caring for other employees and demonstrating the highest level of integrity. Also, employees'

work engagement levels are higher than expected results. Turkey is the largest cement market in the Eastern Mediterranean. Employees face risky factors and working conditions, therefore, employees' intention to leave is high. On the other hand, in our study, psychological wellbeing has no effect on work engagement, also has no moderating effect on the relationship between organizational virtuousness and work engagement. Employees' autonomy and environmental mastery are high. This means employees think that they are in charge of the situation that they face in the work environment.

Limitations and Recommendations

This current study addresses a gap in the literature surrounding organizational virtuousness and work engagement by examining the role of psychological wellbeing. By promoting virtuous psychological climate, organizations can improve their employees' perceptions and attitudes about their job and their own organization, but there are some limitations to consider in this study one of which is the inability to generalize the results to other sectors than the cement and ready-mix concrete sectors. The results can only be considered in the content of the sample of the study and cannot represent the whole sector in Turkey as the number of the sample requires to be increased. To increase the number of participants may help improve the reliability of the scale and also may provide support to the research findings to evaluate general tendencies in sector.

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