

# A study on the psychological impact on the job performance of employees

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**Abstract** The purpose of this paper is to understand the psychological impact on the job performance of employees. This paper provides the study of the psychological impact on the job performance of the employees along with the strategies to build a positive psyche. The future research could include the development of psychological capital through non-organizational factors. The psyche of an employee always has a bearing on the work they perform and tasks assigned. Through this paper, it has been tested the psychological impact on the job performance of the employees through the study of psychological climate as well as psychological capital. The work environment and the various facilities provided by the organisation to build positively towards the psyche of an employee. The paper has tested that through secondary research that there is always a positive psychological impact on the job performance. The paper analyses the psychological impact on the job performance of employees, the various strategies that can be implemented in order to create a positive impact on the work as well as the recent trends in the workplace psychological understanding and impact which has been done with the help of various research papers and also adds the importance of psychological capital.

**Keywords:** Job performance Psyche, Psychological capital, psychological climate, Psychological impact, Psychological well-being, strategies

## I. INTRODUCTION

Every organisation depends on the job quality performed by their employees for their success. The employees are the most important asset for any organisation. The job performance simply means how well a person does their job. It is important to understand that jobs performed by employees simply do not depend on the qualification or skill levels of the employees. It is dependent on all the aspects of human behaviour including the most important one namely the psychological aspect. The psychological aspect means the mental health including the happiness of an employee with respect to any situation. The psyche of an employee cannot be simply restricted to the work life but extends to their personal life as well. It is not the work life psychological aspect that will have an impact on the work they are supposed to do but the personal life situations too will have an impact. This paper aims at studying the psychological impact on the job performance and the quality of work. The impact could be negative or even positive. Gradually, organisations are understanding the importance of a healthy psyche through research and practical implementation that there are various strategies developed in order to make sure that employees do their best. The advantages of the employee working to their level best and reaching their potential are not just for the employee itself but to the organisation and in manifold. With this shift, in understanding the importance the

organisation is investing heavily in the psychological capital over and above the human and social capital. The human capital deals with how to do and social capital deals with whom or with the help of whom but the psychological capital understands the value of the person who actually performs the work. If the person does not have a healthy mind it tends to affect the job because in an organisation a lot of work mostly comprises the use of intellect and rationality making it a mental exercise. An unhappy employee cannot focus on the work specifically when that unhappiness is derived from the workplace itself. It could be due to bad peer or superior relations or dull work environment or lack of grape vine and social aspect in the organisation. When this happens, the employee actually does not like to do the job assigned to them. The increasing awareness towards the psyche of an employee has led to various new trends in the industry to make sure there is a positive psychological impact on the employees' job performance. There are various strategies to make sure that there is an environment or climate in the work place that fosters a healthy psyche as well leads to a happy work space where the employee enjoys the work that is to be performed. Various organisations are learning about the same and trying to implement them. It is imperative in this study to analyse these strategies which actually lead to improving the job performance by specific focus on the psychological impact and climate. The paper focuses on the new trends as well as understanding the impact.

## II. SIGNIFICANCE OF STUDY

The entire study focuses on the work performance impacted due to the psyche of the employee in an organization. The paper focuses on the analysis of how the mental aspect of an employee can affect the quality of work and also the strategies to create a work environment that leads to the positive impact of the psychological aspect on the job. The importance is laid on the emerging awareness of the society that the mental well-being and a climate fostering the same has been understood by many organisations lately. It gives an insight of the need for giving the due recognition to the psyche of an employee and in the way it impacts the performance. The benefits derived from doing so is not simply limited to the employee but extends to the organisation in all functions and parts. After understanding the importance and consequent impact, it necessitates the study on the different strategies that can be implemented and rather has already been implemented by different organisations. This study impacts organizational research as it substantiates and tests the positive psychological impact making organisations aware of the manifold benefits they could derive. The research does not only focus on the psyche of the employee impacting work but also the psychological climate of an organization. The employee may personally be mentally healthy but the work environment and atmosphere of the organization including relationships and support can tend to affect the entire workforce leading to mediocre quality of work. For any organization, low quality of work affects all aspects including reputation, profit, attrition rates. With this, the research includes the recent changes and trends coming up in organisations in the psychological capital aspect to make sure employees work performance improves and show their true potential. The basic significance lies in the fact that the most important aspect that is psyche as well the factors affecting the psyche could completely affect the work performance of an employee and the neglect by the organisations.

## III. FINDINGS

The psychological impact can be defined as the collective effect of the psyche of the employee, the psychological climate of the workplace and all the factors affecting both on the work performance of an employee. The psychological well-being has been defined as the effectiveness of a person's mental functioning [1]. When the psyche of an employee is under consideration, all the life aspects are to be included because the mental health is not affected only by one particular aspect always. The employee could be affected mentally by various reasons like personal family issues, growth restraint, anxiety, stress, panic and so on. If considering, anxiety as a reason for the mental disturbance, an employee while working will always face issues because they will not feel the comfortable while talking to their supervisor or peer at the workplace or the

employee may constantly feel panic while attending meetings where they would not be able to ask any queries they might have regarding the task given to them. Any other personal reason definitely makes the employee mentally unhappy which could lead to lower concentration and focus at the workplace. However, considering the personal issues it is likely that the employee builds a good resilience to be able to separate out their work and personal life not letting the work performance be affected in any wrong way. The former kind of mental issue is one in which the employee needs to practice some form of mental health exercise in order to heal the anxiety or panic issue so that the work does not see the effect of it. Here comes in two important concepts psychological climate and psychological capital. For any employee to work to their potential requires engagement [2]. Psychological climate can be basically defined as the way an employee perceives their work environment [3]. The work environment includes peer and superior-subordinate relationships, job commitment, physical work-space, communications, organisational support and acceptance. The understanding of the employees' perceptions gives a relation between the work quality because it reveals that if their perception about is positive, the attitude adopted will also be positive towards the work and vice-versa [3] [4]. It has been studied that psychological climate is a multi-dimensional construct and can divided into five parts namely that is the goal emphasis meaning that the communication of the expectation of work by the superiors, second is mean emphasis meaning the expectation of a procedure or the method used for doing the work, third is reward orientation wherein the rewards form a part of the work performance, fourth is the task support meaning the degree of support the subordinates get from their superiors or peers in the organization and finally the fifth dimension is the socioemotional support meaning the degree to which the employees feel that their organization connects with them and tries to protect their well-being [5]. It is these aspects that affect the work performance and actually be a part of job satisfaction. There is a study wherein the psychological climate and its effect on work performance is done with reference to job satisfaction. The model tested the hypotheses that psychological climate of any organization impacts the job satisfaction which in turn affects the job performance [6]. This implies that when an employee finds a positive work atmosphere specifically the five dimensions wherein the management communicates to the employee properly the kind of work is expected from them and also explains if they require them to use a particular method. If the employee is rewarded or not for the work that they perform which meets expectations and if at any point of time the employee feels that they are not able to do the work, do they feel that they can approach the management. Finally, if the employee feels that they are given the due importance and treated as human assets of the

organisation and not just as human machines who work for the company. If all these factors remain positive the employee will feel satisfied with their job and hence the work will improve. But talking about psychological climate and its impact is not adequate to improve or create a positive impact on the work of the employee. The psychological capital is needed to be considered as well. Every organization invests in humans who are qualified and skilled to perform the tasks assigned and build a human capital. Later, organisations and employees understood the need to build contacts and engage in networking in order to help them get their work done and build social capital. Slowly, there is a shift towards understanding the employee itself as in who they are and call it building the psychological capital. The psychological capital was studied with reference to four attributes namely hope, resilience, confidence and optimism [7]. Confidence has been defined as the employees' belief in themselves and their abilities to work, collect resources and build relations in an organisation [8]. Optimism means the employees' outlook in different situations remaining positive. An optimist in a negative situation would adopt a temporary attitude stating the situation will become better whereas a pessimist will adopt a permanent attitude towards it. On the other hand, an optimist in a positive situation would adopt a permanent attitude whereas a pessimist would adopt a temporary attitude [9]. These have a bearing on how one functions in the organisation and affect their work. The third was the aspect of resilience [10]. Every person goes through some kind of ordeal that could potentially affect them mentally depending on their outlook but it is in these situations that a person does not let those aspects affect their work and career. The resilience built in any employee simply means bouncing back from any bad situation. The last one is the attribute of hope. Hope is generally interchangeably used with optimism but there is a distinction drawn between the two. Hope is more of an emotional feeling where a person expects a situation in a particular manner whereas optimism is to look forward to anything positively. Psychological capital consists of being able to be measured and also practices can be developed by the management to improve these factors. If an employee is resilient emotionally and mentally and has confidence in their work then there is lower anxiety and stress levels in an employee. Also, when an employee is able to remain positive in the situations which seem to be negative or difficult to cope with, the employee is mentally open to think and not just simply work and leave for the sake of finishing the given task. This was also substantiated by the broaden-and-build theory [1]. Thus, it can be said that there is always a big impact on the job performance of an employee psychologically which has been substantiated by various research scholars as well.

#### IV. STRATEGIES FOR POSITIVE PSYCHOLOGICAL IMPACT ON JOB PERFORMANCE

There are various strategies that have been implemented by organisations in order to create a positive psychological impact on the work performance of employees. The strategies could be one which directly take in consideration the programs and policies as well as facilities aimed at leading to better psyche of the employee and the strategies could pertain to improving the psychological climate and invest in psychological capital. As mentioned before, the psychological capital is studied through four attributes that is hope, confidence, optimism and resilience. The organisations could use strategies in order to develop these attributes in an employee. In order to build confidence in an employee, the management could make sure that the employees are treated with positive feedback and when required to ask the employee to improve, the language as well as tone does not sit negatively as to completely affect the employee mentally and demotivate them [7]. This kind of behaviour will not only hamper relationships but also have an effect on other employees and their engagement in work. They may not feel interested and will always fear away from contributing towards the organisation. It also leads to creation of a follower culture and not one of a leader. Confidence is also built by vicariously through the peers and the superiors in an organisation. When an employee sees good work performed by a team member or by their peers and they see the appreciation and confidence that employee receives, then it also instils a sense of confidence in other employees [11]. It fosters a culture wherein every employee is pushed to work better through the confidence and appreciation of others and is said to be one of the healthiest work environments. This kind of work atmosphere leads to support and cordial superior-subordinate relationships. Optimism always comes in when there is confidence and lack of stress as well as anxiety. A person can feel positive when the psyche is full of positivity and good energy. There are many factors contributing towards positivity but keeping the research to the organizational aspects, the work stress becomes an important part to be addressed. The stress and pressure an employee feels are rooted from the constant worrying of the amount of work and the ability to be able to finish it or not. This is basically a sense of uncertainty and a feeling of lack of ambition also. When a person is over burdened with work, pressure is created and every employee in the work place is trying to step up in the corporate ladder, to complain or not be able to cope up and finish will either push them out or lead to vegetation. Due to this, the employee is stressed and constantly worries about the work leading to negativity. In such situations, the employee may not feel very optimistic till the time the work is not completed leading to a poor mental health. The strategy here could include ways in which organizations invest in facilities that

help the employees deal with stress and pressure. Many sports activities help employees calm down and enjoy working in the organisation. The importance is also placed on counselling and therapy facilities in the company. Recently, many organizations are designing work places in a manner that are not conventional like the old cubicles but rather open which helps in grape-vine as well as the seniors and juniors see themselves working together leading to positive and open communication. One of the strategies involve the welcoming of suggestions and ideas by employees. Through this, employee engagement is built as they are not given to simply do a task but actually effectively contribute towards it leading to initiative adding to the positive psyche of an employee. This generally develops from the leadership style adopted by the organisation. Employee engagement plays an important role in making sure that work is performed to the best level as the employee is completely interested in the task assigned. All these not only help in investing in psychological capital but rather create a psychological climate that is positive. As substantiated earlier, a positive psyche of an employee impacts the job performance and leads to better results. Any employee working with a healthy mind will always be able to deal with work stress and would in turn create a better environment for every other employee of the organisation. The rewards such as salary, bonus, incentives and other facilities can be provided to an employee by other company or organisation as well but the most important part that makes an employee stick in an organisation for a longer term is the investment in their mental safety. Just as organisations provide various facilities for safety which are actually tangible, there are some basic changes like leadership style and communication as well as work support which could actually create a positive psychological impact improving job satisfaction and performance. If organisations further understand the importance of the psychological impact, they could introduce facilities to actually deal with the psychological problems an employee faces whether about the work-place or the personal lives. In a practical situation, not every employee and superior will have an attitude that could foster a positive environment and here the need of resilience is important along with a strong psyche barrier to not let it affect the employee mentally. The counselling policy or the provision of such therapist could go a long way for an organisation to build a strong psychological capital and climate.

Companies like American Express who leads in the financial sector realises the importance of the psychological health of its employees. The company came out with a programme called the 'The Healthy Minds' which has its roots in the employee assistance program of the company. Through this initiative, the company has hired part-time counsellors who provide sessions to the employees and they have their own employee clinic. The employee assistance program also runs by a full-time clinical psychologist.

Another example can be taken of Netflix, which itself doesn't have its own wellness or welfare program but actually allows employees to pick their own schedules and work timings along with providing the option to choose parental leaves. These in itself go a long way in creating a positive work environment leading to engagement consequently improving the work performance.

## V. RECENT TRENDS IN CREATING PSYCHOLOGICAL IMPACT IN WORKPLACES

Every year, HR department looks into various policies that can be implemented in the workplace for better employee well-being. But for a long time, these practices always had the operational activity of the organization at the centre of these policies, focusing only at the work rather than making them employee-centred. With the pandemic hit last year, there has been a shift in the way these policies are planned. Now, organisations are focusing towards Industrial-Organisation Psychology. The American Psychology Association defines Industrial-Organisation Psychology as the study of the behaviour of humans in the workplace. This basically deals with how employees could react, feel or think in a particular situation. The pandemic hit the workplaces and the employees differently and there were new trends that have been given specific focus. The entire organisation was forced to work virtually and the shift has been on designing the virtual workspace very mindfully in order to keep the entire virtual office set up efficient as possible. The most important aspect in designing a mindful virtual workspace is the way in which the workload is less as the work is supposed to be conducted from home. The screen time has been increased due to this straining the mind and with the remote working, some people may feel social anxiety as they may not be able to communicate as effectively virtually as they can in person. All these aspects need to be taken into consideration when the virtual work space have to be designed.

The second recent trend that has emerged is focusing more and more on the ability to maintain a work-life balance. Keeping in mind the work stresses and overload, it became imperative for employees to be able to actually make time for their personal lives. When employees are not able to make time for their own social as well as personal lives, it also adds to the poor psyche because there is no time for social relations which acts as a rejuvenation time for many. If they are not provided with the space and time to able refresh themselves, it makes the person irritated towards the organisation as the employee feels that they are not given due importance. This also reduces work engagement leading to poor work performance. The organisations are now focusing on providing the employees time and the space to be able to work as well as enjoy their own personal and social life.

Industrial-Organisation Psychology has also introduced the concept on inclusive practices in order to retain talent in the organisation. Inclusive practices include the emotional attributes like the sense of belongingness, team spirit, able to communicate effectively and making the employee valued as well a part of the team. These inclusive practices work well in order to create a positive psychological impact on the work performance because the more positive the employee feels about the psychological climate, the better is the performance. Sense of belongingness can be inculcated by actually fostering a culture wherein employees are given due recognition and feel valued at the work place. They feel that the work that they do effectively contributes towards the success of the organisation. Belongingness is always felt when the person feels that their work, opinion and presence matter in the organisation. Belongingness in itself fosters a positive work culture and helps building the psychological capital. There are various new trends in the organisation workplace but there has been more focus on the ability to keep in mind the work-life balance as well as adoption and implementation of inclusive practices in the workplace.

## VI. LIMITATION OF STUDY

The major limitation of the study is that it is based on secondary data. The papers explain the psychological climate and capital with respect to the happiness of employees and job satisfaction but do not extend to the other various aspects that could help build psychological capital through well being of the psyche.

## VII. CONCLUSION

The research paper tested the hypotheses of negative or positive psychological impact on the job performance of the employee. It can be stated through secondary research that there is a positive psychological impact on the work of the employee in an organisation. The psychological impact has been studied with reference to the psyche of the employee as well as the work environment and atmosphere. The work environment become the cause of the positive or the negative psyche of the employee. Thus, psychological climate development will lead to the investment and building of the psychological capital. The work environment or also technically called psychological climate, the five dimensions have been analysed which are the goal emphasis, means emphasis, rewards, support and finally socioemotional support in the organisation [5]. These five factors when given due importance and in their implementation, leads to open communication and various inclusive practices which in turn builds a favourable work place. The most important aspect in any organisation as seen before is the psyche of the employee and can be placed above the human as well as social capital. The smartest of an employee will not be able to work efficiently when mentally they are not happy in the organisation and feel negative. The psychological capital focused on four

attributes, that is optimism, hope, resilience and the confidence. The various ways in which confidence can be built in the employee at the workplace are vicariously and through positive communication feedback along with the avoidance of harsh tones. Strategies also include facilities that provide counselling and therapy to employees so that the psyche of employee is directly dealt with. The other strategies mainly focus on factors contributing but the counselling programs directly deal with the mentally issues the person faces. It can be substantiated that there are various ways in which the organisation can build a positive work environment inducing work engagement which brings the betterment of the job performance. There is always a positive impact of the psyche on the job performance when invested towards building the psychological climate and capital.

## ACKNOWLEDGMENT

I would like to extend sincere gratitude towards Dr. Karishma Desai without whom this paper and research would not have been possible. Her constant guidance and support have been of immense help.

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