

Psychological Capital and Organizational Ambidexterity

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Abstract

Psychological capital is employee's positive state in obtaining and sustaining the competitive advantage. Psychological capital is referred to as the "HERO within" indicating what individuals are likely to achieve with, as opposed to what they are likely to achieve without, positive psychological resources. This acronym also connotes the four positive cognitive resources constituting psychological capital: Hope, Efficacy, Resiliency, and Optimism. It is posited that these resources tend to work together resulting into superior performance. This paper examines the relationship between psychological capital and organizational ambidexterity. The paper is conceptual in nature and reviewed extant literature. The findings from the reviewed literature revealed that many psychological attributes are yardsticks for the survival of any organization, these are: consistence, perseverance, appreciation, innovative etc. Managers' ambidextrous behaviors' needs to be developed and utilized for smooth running of any institution and on time too. The study recommends that management of organizations can help their managers, through training and re-training to develop their psychological capital. Also, employees with low psychological capital should not always be used in critical situations that need urgent attention.

Keyword: Psychological Capital, organizational ambidexterity, Hope, Efficacy, Resiliency, Optimism.

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INTRODUCTION

Many organizations see their goal and objectives as their sole aim of been in business and these objectives perpetually experience difficulties in achieving their set goals (Sohrab, Farzad, Mohammad, Eshagh, and Mohammad, 2021). The interest of establishments both today and in time to come is sustained by using both opportunities available to her within and outside her domain (Luthans & Youssez, 2017). For or organization's to remain in business, it must continually explore opportunities available to her both internal and external. These will enhance her tendency of handling existing production systems and new ideas from managers with high psychological capital (Palm & Lilja, 2017). For an organization to continuously compete favorably with competitors by performing its activities in referred to as organizational ambidexterity (Maclean, Harvey, Golant, & Sillince, 2020).

Organizational ambidexterity is also defined as the ability to exploit existing resources and competencies while exploring innovation and new challenges Organizational ambidexterity can also be referred to as the tendency of an organization to harness its existing opportunities and finding new ideas in order to manage its bottlenecks (Chng & Le Huy, 2019). An organization is made up buildings, furniture's, machines, stationeries and humans to handle its different activities (Gibson & Birkinshaw, 2004). But for these activities to be handled in an effective and efficient manner, the organization needs individuals who are ambidextrous in attitude and who can easily adapt to new ideas and changes (Sohrab *et al.*, 2021).

Previous works on ambidexterity tends to be centered on organizational level. Little attention has been paid to the individual level (Turner & Lee-Kelley, 2013).

Those that tend to focus on ambidexterity at the lower level are on manager's attitude to reconcile the management of existing opportunities and innovating new ideas (Grobler & Joubert, 2018). Managers of organizations use organizational ambidexterity in understanding the fall out of their dealings in any establishment. Their sole aim is to distribute none financial resources effectively at the right time and place to all affected members of the organization and to meet the demands of the public who are referred to as customers in the context of this study (Umans, Smith, Andersen & Planken, 2018). Contemporary organizational production activities tends to embrace the use of information technology in its daily production, hence the word is fast growing in the use of digital machines coupled with increase in population. So for organizations to be able to carry out the above functions, it must continuously explore new ideas at all time (Cannaerts, Segers & Warsen, 2020). Recent researchers in the field of management and entrepreneurship sector has focused on Psychological Capital(PsyCap); psychological Capital has been found to have a great influence on the way and manner employees of an organization carry out their duties (Umans *et al.*, 2018).

The origin of psychological capital is traced to Martin Seligman in the late 1990s, he was a psychologist. He focused on positive attributes of the individual. The present day advocate on positive psychology started since its formal presentation in the 1998s at the American Psychological Association Conference. Instead of relying on the individuals limitations, the modern day human science is centered on how to use the opportunities of an individual in a firm (Pertusa & Molina, 2018).

The origin of organizational Ambidexterity (OA) is traceable to the year 1976. Research has shown that organizations that achieved their goals used the resources available to them to explore new options (Qiu, Yan, & Lvm, 2015). Organizational Ambidexterity is the strength organizations have to make programs and policies that explores new ideas. Exploitative and explorative activities are parts of organizational Ambidexterity. Both terms differ in approach. Explorative activities are associated with making and implementing policies while explorative activities are associated with search for new ideas, new technology, innovations etc (Qiu *et al.*, 2015).

Organizational Ambidexterity is the tendency of a firm to exploit available resources and strength and at the same time exploring or search for other opportunities with the help of existing resources (Umans *et al.*, 2018). OA is the ability of the organization in making judicious use of available resources and search for other useful opportunities (Qiu *et al.*, 2015).

The principle of organizational Ambidexterity is based on the premise that the operational environment of firms is fragile, hence favours only those with high level of adaptive capabilities (Ardabili, 2020).

Strategic Success (SS) means the ability of a firm to formulate workable policies in will enhance it in achieving its sets goals and implementing such policies strategy (Berg & Heidbrink, 2017). For contemporary organizations to compete favorably, it must change its policies and on time too. Fast technological developments, volatile consumer demand, and unpredictable market forces are catalysts for organizations wishing to be more successful. Rapid advance in digital innovations, slippery consumer demand and market forces are basis for organizations intending to do well in business (Cannaerts *et al.*, 2020).

Based on the above, this study seeks to investigate the role of psychological capital on organizational ambidexterity. The roles played by company managers towards the realization of set goals cannot be over-emphasized. In any business environment, customer taste and demand influences company performance and productivity, but this cannot be achieved without the driving force of managers.

Review of Related Literature

Psychological Capital Concept

PsyCap is built on four notions of optimism, hope, self-confidence and resilience. It is the ability of an individual to believe in the power of positive thinking and hopeful that his plans will be materialized (Rafiq, Weiwei, Chin, & Nasir, 2019).

PsyCap means the mobilization of resources to use in an individual's work schedule to bring a positive result which in turn creates a paradigm shift in an organization (Costantini, De Paola, Ceschi, Sartori, Meneghini & Di Fabio, 2017).

PsyCap can also be referred to as felt of self-confidence in an individual in performing some task (Richtnér & Löfsten, 2014). Psychological capital is couples of attributes that result to an individual's ability to carry out job functions with available resources aimed at producing positive results (Rafiq *et al.*, 2019). PsyCapis exemplified in an individual in the following forms: (i) The individual's ability to believe in himself in the discharge of official duties (ii) The individuals sense of judgment in achieving success (iii) The individuals effort to attain organizational goals in a timely manner and (iv) The ability of an individual to withstand certain limitations in the pursuits of goals (Luthans & Youssez, 2017).

Dimensions of Psychological Capital

There are four attributes of psychological capital and they are as follows: (Jansen, George, Van & Volberda, 2008).

Self-Efficacy

Self-Efficacy is the ability of an employee to interact with others in a free manner without any atom of fear or favour and in gathering of resources to get work done in an organization under some working conditions (Luthans & Youssef, 2017). It means they believe of an individual that he can comfortably carryout some functions (Keller & Weibler, 2015). It is the belief in one's own abilities and skills and their success, regardless of their surroundings. When an individual is sure of what he can do to ensure that work is done successfully irrespective obstacles before him, it is referred to as Self-efficacy.

Optimism

Optimism is when an individual is sure of what he can do and when he can do it. Optimism is the tendency of a person to succeed in tasks despite certain forces (Kobarg, Wollersheim, Welpel & Spörrle, 2017). There are two forms of optimism, achievable and unachievable optimism. Achievable optimism is the ability of an individual to keep hope alive as a result of experience that the future will be better than the past due to available opportunities and making judicious of those opportunities. Unachievable optimism in uncertainty of some knowledge that a person does not want to entertain and this may lead to unsuccessfulness of achieving some set goals. Optimism is the believe that positive outcomes will result from doing a particular set of work. An optimistic individual sees challenges as temporary and believes in the power of positive thinking in performing some tasks. He sees challenges as opportunity to succeed (Luthans & Youssef (2017).

Hope

Hope refers to persistence and pursuit of goals, and redirecting paths towards those goals where necessary to succeed. Hope according to Kobarg, Wollersheim, Welpel & Spörrle (2017) entail three main things: purpose path and strength. Hope is the application of willful act in achievement of goal. Hope is having pathways to a realization of objectives. Hope means the persistence and consistency in exploring different options in achieving set goals. Hope is re-ordering of priorities in performing some task.

Resilience

Resilience is learning from past mistakes. It also denotes a state of not giving up of failures Kobarg *et al.*, (2017). It also means staying on track despite not challenges that is facing an organization. Resilience is been positive on when it seems all options have failed (Sweetman, Luthans, Avey & Luthans, 2011). At the individual level, resilience means adapting to uncertain environmental conditions while at the organizational

level, it is the ability of the organization to re-order in its operational strategies to achieve its set goals despite unfavourable government policies, economic policies etc. resilience is shown in the outcome of work through commitment and sacrifice (Sweetman *et al.*, 2011).

Organizational Ambidexterity Concept

The concept of organizational ambidexterity is anchored on the following three premises: (a) the time it takes an organization to take advantage of opportunities within its disposal while it looks for externalities in the pursuit of its goal, (b) the sectional pattern between exploitation and exploration and (c) the strength and weakness of different organizations where an organization have comparative advantage in a skill compared to another. Organizational ambidexterity is the interchange between making positive decisions and research for new ideas. It is also the link between opportunity available and those to be explored. Organizational ambidexterity is the strength of an organization to exhaust its available opportunities and search for other external opportunities (Van, 2018).

OA is the capacity of a firm to explore opportunities while still using those within its ambit. OA is done through prudence resource allocation in an organization (Wageeh, 2019). Organizational ambidexterity can be operationalised at the level of team of a company to search for possible avenue in a collaborative manner all aimed at meeting set goals and objectives. Organization ambidexterity is the ability of a firm to be engaged in so many actions and using her staff strength that enable it to strategize in the realization of set goals and objectives such as new avenues of solving its problems. It is the utilization of internal staff strength in pursuit of set targets. In fact, in organization ambidexterity, all working details are joined together and readjusted from time to time to meet the changes the environment entails environment (Yanbin, Wei and Dusheng, 2021). Because of constant change in customer taste, fluctuation in market forces, organizations will always strive to align itself with trend in market forces and change in customer taste. It therefore reorders its internal activities and uses its existing resources to search for new strategies towards meeting the demands of its clients (Yanbin *et al.*, 2021). Yanbin *et al.*, (2021) notes that OA can be seen by “(1) separating exploitation and exploration activities, (2) structural separation between exploitation and exploration, and (3) specialization between organizations” OA is the pursuit of new ideas while sustaining existing ideas in a timely manner.

Measure of Organizational Ambidexterity

Proponents of organizational ambidexterity are not on the same page on its dimension. As a matter of fact, there are two schools of thoughts on the dimensions of OA and they are as exploitation and exploration. In their view, exploitation entails use of already available options while exploration is all about

search for new opportunities and options all aimed at satisfying customers need.

Optimization of opportunities

Opportunities optimization is the capability of organization to leverage in its resources within the shortest period of time to meet the need of its customers, to extend its existing staff technical know-how while seeking for new means of selling its products (Yu, Gudergan & Chen, 2018).

Exploration for new opportunities

It is the ability of an organization to use its available opportunities to explore new avenues of doing business. It is also the ability of the organization to expect shift in its traditional method of doing business because of the dynamic nature of the environment. It might be new means of reaching out to customers or looking for new ones or better still new ways of beating competitors. In the opinions of Yu *et al.*, (2018), exploration and exploitation are two critical factors of the survival of any organization. Though both are complementary in nature but they differ in approach as one leads to another. The formal seeks to minimize the risk value of an organization while the later complements the formal. With the above assertion in mind, exploration seeks to innovate on new ideas to satisfy customer need in a short time while exploitation utilizes current and existing strength of the company in achieving same purpose.

Managers' Psychological Capital and Ambidexterity, the nexus

The study of ambidexterity at the individual level helps to identify the strength and weakness of individuals working in an organization which is a yardstick in the collective survival of the organization (Keller & Weibler, 2015). Manager's attitude and response to changes in the market environment is a function of their exhibition of a high level of ambidextrous behavior at the organizational level. Scholars in the psychology discipline have exploring the pivotal roles of employees in the organizations in achievement her set objectives (Maclean *et al.*, 2020).

For exploration and exploitation activities to be successful, managers have critical roles to play in the realization of the organization goals (Maclean *et al.*, 2020). The in one way or the other make decisions that either make or mare the corporate existence of the organization.

Though market forces and change in customers taste and demand has a far reaching effect in determining the results of organizational goals, but the roles of managers is a strong driving force in ensuring that new invented technology is appropriately applied to achieve set goals.

To buttress the above point in a more robust manner, managers are conservative in nature, hence seeks to allocate scarce resources prudently and judiciously at the right time and place, all these is shown in the result of firms (Smith & Umans, 2015).

It was opined by several scholars that though environmental changes and uncertainties cannot be managed completely, but result have proven that managers of organizations can device means of adapting to the dynamic nature of the environment by through their rational approach to solving problems (Pertusa & Molina, 2018).

There are four ambidextrous behaviors according to Ardabili *et al.*, (2020), and these are initiator, cooperater, broker, and multitasker. In his opinion, initiators are always ready to seek other means of getting job done outside the ambit of their job jurisdiction, cooperaters do not work alone, rather they work as a team with others, brokers in a bid to getting their work done seeks collaboration within their colleagues while multitaskers carries out more than one work at a time.

The above managerial attributes are the main ambidextrous behaviors that explain what is expected of a manager in two ways: reordering and adaptation. There are factors that affect the functionality of managerial ambidextrous behaviours such as the both as at the employee and organizational levels. The level of managerial exhibition of ambidextrous intelligence differs among different individuals. This might be a function of educational background, environmental and or work place exposure, training or job experience etc.

The above enumerated factors have a far reaching effect in the way and manner manager's handles issues confronting the various organizations. Psychologically, all human acts in different ways and this in one way or the other affect their intellectual ability in the discharge of their duties. The result and level of productivity of individuals and organizations is as a result of either low or high psychological endowment of some persons. It is these behaviours that make some perform better and higher than others.

Advocates of psychological capital Luthans and Youssef, (2017) and Ardabili *et al.*, (2020) developed two aspects of psychological attributes that affect the functionalities of employees in an organization; this is referred to as positive and negative psychological behaviour. Psychological behavior is a resource in any organization as companies with high level of employee that are endowed with high psychological capital tends to be more productive than those with employees with low psychological capital. Whenever an existing method of solving an organizations problem tends to be ineffective, Turner & Lee (2013) employee automatically seeks to exploit

new means of doing same work with little resources and this is the major work of ambidextrous managers.

Optimistic managers believe in themselves than pessimistic managers. They always have positive mindset in confronting issues affecting their organizations. Their best approach in pursuit of company goals is to seek for ways of handling company problems (Sweetman, Luthans, Avey & Luthans, 2011).

The search for new ideas in solving organizations problems is not always predictable as it might pose serious challenges at times. Only employees that are highly motivated perform well in such an unpredictable environment. Also to adopt new ways of solving organizations problems is not always an easy task as it requires employees that believe in themselves to be steadfast in the pursuit of their company and personal goals (Rafiq, Wu, Chin, & Nasir, 2019). The role played by Psychological capital in the actualization of organizational goals cannot be over emphasized as it to a very great extends influences the way managers exhibit their ambidextrous behaviors (Rafiq *et al.*, 2019).

CONCLUSION

Several financial institutions are confronted with contemporary obstacles in handling their problems using normal problem solving approaches. Corona virus pandemic is a practical example of an issue that came to financial institution as a shock amidst numerous demands by her customers. Ambidextrous behavior of managers with high psychological capital can go a long way in helping organizations overcome any crisis situation. It is always cost effective to handle organizational issues with staff that have high ambidextrous behavior than hiring new staff that may lead them into incurring high expenses. Many psychological attributes are yardsticks for the survival of any organization, these are: consistence, perseverance, appreciation, innovative etc. Managers' ambidextrous behaviors' needs to be developed and utilized for smooth running of any institution and on time too. During recruitment of new staff, human resource managers are expected to seek for the services of employees with high ambidextrous behavior and psychological capital if the company must remain in business and be able to compete favorably.

RECOMMENDATIONS

Management of organizations can help their managers, through training and re-training to develop their psychological capital. Also, employees with low PsyCap should not always be used in critical situations that need urgent attention. Organizations should always try to enhance and develop the PsyCap of their employees. Through intensive and constant participation in organizational roles, managers can self-develop their own PsyCap personally.

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