Psychological Capital in Organizational Contexts: A Systematic Literature Review

Nia Riana[1], L. Rini Sugiarti[2], Fendy Suhariadi[3]
[1]Faculty of Psychology, Semarang University, Indonesia, nia.riana@widyatama.ac.id
[2]Faculty of Psychology, Semarang University, Indonesia, riendoe@usm.ac.id
[3]Airlangga University, Indonesia, fendy.suhariadi@psikologi.unair.ac.id

Corresponding Author: nia.riana@widyatama.ac.id[1]

Abstract: PsyCap is a key psychological asset to optimize employee performance and well-being during rapid organizational change and uncertainty. According to Positive Organizational Behavior, PsyCap consists of four state-like components, hope, efficacy, resilience, and optimism (HERO) that can be quantified and nurtured to support human potential progression. This systematic literature review was performed based on studies from Scopus, Web of Science, and ScienceDirect by synthesising 47 empirical and theoretical papers published from 2004 to 2025 by applying the PRISMA methodology. As results show, PsyCap has significant positive effects on employee engagement, job satisfaction, performance, organizational commitment, and psychological well-being and reduces stress and turnover intention. The antecedents of PsyCap development are leadership; organizational support; and learning culture. PsyCap training and coaching are an example of intervention in which available psychological resources seem to benefit significantly. PsyCap could be considered to be an adaptable and developable form of human capital that enhances organizational and personal growth and further research has to go beyond digital and cross-cultural environments as well as be carried to emerging economies in Indonesia in particular. Psychological Capital, Positive Organizational Behavior, Employee Well-being, Organizational Performance and Systematic Literature Review.

Keywords: *Psychological Capital, Positive Organizational Behavior, Employee Well-being, Organizational Performance, Systematic Literature Review*

INTRODUCTION

In a planet of globalization, technology disruption, and organization transformation today, the employees of enterprises are confronted with complex requirements where one cannot be able to fulfill human skills and capabilities with enough technical expertise. Organizations today need to consider themselves not simply endowed with knowledge and skill building resources but also in the training the workforce can adapt, endure and innovate in the face of an environment marked by uncertainty. And with this evolution in workforce development has come the centrality of Psychological Capital (PsyCap) as a key construct in the field of organizational effectiveness: psychological capital becomes one of the pre-

eminent constructs in positive organizational effectiveness and employee behaviour (Luthans, 2002; Luthans & Youssef-Morgan, 2017). PsyCap is the higher-order construct having four state-like, obtainable psychological resources hope, efficacy, resilience, and optimism (HERO) that co-create resources that drive motivation, adaptability, and performance. As opposed to stable personality traits, PsyCap is state-like, which means it can be enhanced with specific interventions, leadership styles, and positive organizational environments (Luthans et al., 2007). This distinction positions PsyCap above human capital (knowledge and skills) and social capital (networks and relationships) as strategic intangible capital (Avey et al., 2011). PsyCap has captured the interests of numerous disciplines in the past twenty years, encompassing organizational behavior, management, education, healthcare, and public administration. In this regard, various studies on PsyCap concerning job satisfaction, engagement, organizational commitment, creativity and performance have yielded a link among high levels of PsyCap, higher job satisfaction, engagement, organizational commitment, creativity and performance and low levels of stress, cynicism and turnover intention (Avey et al., 2011; Newman et al., 2014; Foli, 2023). In addition, meta-analytic information confirm that PsyCap is very pertinent and associated to well-being and organizational performance, marking it as an important asset to remain effective in negative social/economic settings (Nolzen, 2018). However, despite a substantial amount of evidence gathered, aspects are still lacking in the existing literature. First, the majority of PsyCap studies have been conducted in Western contexts, leaving the generalizability of the construct outside collectivist cultures such as Indonesia at risk. Second, while it has been appreciated that PsyCap is dynamic and transferable, few studies have investigated its longitudinal implications and the viability of PsyCap interventions as they transition through time (Newman et al., 2014). Third, the growth of the digital transformation and remote working environments has triggered a need to delve deeper into how PsyCap operates under technology-facilitated conditions, as well as organizational change. Hence, the need for systematic synthesis of PsyCap research to systematically define the conceptual evolution, empirical results, and practical applications of the phenomenon, reflecting these changes. Hence, this study seeks to conduct a Systematic Literature Review (SLR) according to PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses). The objective of this review is to (1) consolidate an overview of the theoretical and empirical knowledge of PsyCap; (2) identify its antecedents, outcomes and intervention regimes; and (3) identify emerging research gaps and future inquiry. This review contributes useful knowledge regarding PsyCap as a potent psychological resource with performance, well-being, and organizational sustainability outcomes by aggregating evidence into a wider organization context.

Theoretical Background
The Origin of Psychological Capital

PsyCap, psychological capital, originates in Positive Organizational Behavior (POB), a framework with a focus on fostering and identifying employees' positive psychological strengths that have the potential to enhance functioning and well-being (Luthans, 2002). Rooted in Positive Psychology (Seligman & Csikszentmihalyi, 2000), POB emphasized human potential and flourishing over deficits and dysfunctions. Fred Luthans (2004) described PsyCap as a state-like, malleable resource, or, rather, as "who you are and who you can become," along with human capital (what you know) and social capital (who you know). PsyCap is a composite construct of four essential psychological capabilities – hope, efficacy, resilience and optimism – called the HERO model (Luthans et al., 2007). Theories of these components serve as a separate yet complementary framework both promote healthy beliefs, behaviours and results in the workplace.

Components of Psychological Capital
1. Self-Efficacy.

     Self-efficacy, grounded in Bandura's (1997) Social Cognitive Theory, embodies a person's belief in their capacity to mobilize cognitive, motivational, and behavioral resources to effectively perform tasks. High self-efficacy employees set challenging goals, persevere when facing obstacles, and perceive challenges as lessons to learn (Stajkovic & Luthans, 1998).

2. Hope.

     Hope can be conceptualised as a positive motivational state that involves elements of agency (goal-directed determination) and pathways (planning a way to obtain the goals, see Snyder, 2000 Hope Theory). Hope, in the context of organizations, enables goal-setting, strategic agility, and perseverance in environments facing uncertainty (Luthans & Jensen, 2005).

3. Resilience.

     Developed from developmental psychology, resilience is the ability to recover and in many cases grow stronger after adversity (Masten, 2001). Resilience at work is defined as flexibility, bouncing back from stress, and positive reaction to failure (Luthans et al., 2006). Employees who are resilient can continue to perform well under pressure, which remains an essential resource in a constantly changing world.

4. Optimism.

     According to Seligman's (1998) Explanatory Style Theory, optimism signifies the tendency of a person to ascribe positive events to personal, permanent, and pervasive causes, and negative events to transient, external causes. Optimism promotes greater job satisfaction, involvement, and proactive coping (Carver & Scheier, 2014).

     These four dimensions, in their entirety, amount to a second-order construct; they are seen as a system of inter-related and synergistic resources, rather than as mere parts. The HERO framework predicts work outcomes on an empirical level with greater statistical power than measuring the dimensions one by one (Luthans et al., 2007; Avey et al., 2011).

Theoretical Foundations and Related Frameworks
PsychCap is grounded in various theoretical perspectives:
1. Conservation of Resources (COR) Theory (Hobfoll, 1989): Humans endeavor to acquire, maintain, and defend valuable resources. PsyCap is the cluster of psychological resources which buffer us from stress and allow for positive adaptation.
2. Broaden-and-Build Theory of Positive Emotions (Fredrickson, 2001): Positive emotions such as hope and optimism enlarge the cognitive and behavioral repertoire and create enduring personal resources including resilience and efficacy.
3. Self-Determination Theory (SDT) (Deci & Ryan, 2000): PsyCap allows basic psychological needs autonomy, competence, and relatedness to be met which contributes to intrinsic motivation and well-being.
4. Social Cognitive Theory (Bandura, 1997): Individuals high in PsyCap maintain motivation and stick with it in achieving their goals through self-reflection, the maintenance of goal-setting, and learning by watching. It's this combined perspective that explains why PsyCap is associated with performance and happiness: It is a means to regulate emotion, sustain effort, and make meaning in one's working life.

Psychological Capital within Organizational Contexts

PsyCap acts like a strategic intangible asset for organizations. PsyCap is related to crucial outcomes such as organizational citizenship behavior (OCB), job performance, creativity, and innovation (Avey et al., 2008; Newman et al., 2014). It is also an intermediate mediator of leadership and employee outcomes. For instance, transformational and authentic leaders build followers' PsyCap through empowerment, role modeling, and positive feedback (Rego et al., 2012). Moreover, organizational climate factors that promote support, justice, learning culture, and psychological safety are fertile soil for PsyCap (Sweetman & Luthans, 2010). Employees take action optimally, are resilient, and have a strong direction when they know they are in a fair and trustworthy environment. Thus, PsyCap is an individual resource and also a collective capability that can be developed across teams.

Conceptual Distinctions

Unlike other but interrelated forms of capital, PsyCap:
1) Human Capital - what employees know: their knowledge, skills, and experience
2) Social Capital - who employees know: their networks and relationships •
3) Psychological Capital - who employees are and can become: their positive psychological resources (Luthans & Youssef, 2004).

This distinction highlights that PsyCap stems not simply from training or socialization but rather from an inner reservoir of motivation and cognition from which sustainable performance proceeds.

Summary

In short, Psychological Capital is driven by positive psychology, resource-based theories, and motivation models. The four HERO dimensions – hope, efficacy, resilience, and optimism also work together to lead to greater engagement, persistence, and well-being. Both measurable and malleable, PsyCap serves as a point of interplay between a person's psychology and organizational outcomes. This conceptual foundation is also the premise of the subsequent sections of this review, where PsyCap will be operationalized, measured, and applied across different organizational contexts through the use of the PRISMA systematic framework.

METHOD

Methodology (PRISMA Framework)

Research Design

We applied for this study Systematic Literature Review (SLR) methodology consistent with the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) framework (Moher et al., 2009). The PRISMA methodology, defined by transparency, reproducibility, and rigor principles in identifying, selecting, evaluating, and synthesizing existing studies. It focuses on studies assessing Psychological Capital (PsyCap) in organizations. The SLR process consisted of 4 stages: 1) Identification of relevant literature from a variety of databases, 2) Screening of papers based on the inclusion and exclusion criteria, 3) Eligibility assessment of full-text articles, and 4) Inclusion of studies meeting the quality and relevance criteria.

Research Questions

The research questions (RQs) guiding the review were as follows:
1. RQ1: How has Psychological Capital been conceptualized and developed in organizational research?

2. RQ2: What are the main antecedents and outcomes of Psychological Capital at the individual and organizational levels?
3. RQ3: What methodologies and instruments have been used to measure and develop PsyCap?
4. RQ4: What research gaps and future directions can be identified from the current body of literature?

Eligibility Criteria

Specifically, we elaborated the inclusion and exclusion criteria in order for the studies to meet appropriate quality and acceptable research standards and for selected high significance.

Inclusion criteria:
1. Peer-reviewed journal articles and book chapters published between 2004 and 2025, reflecting the development of PsyCap research since its introduction.
2. Empirical, conceptual, or theoretical research specifically on Psychological Capital in workplace and/or organizational contexts.
3. Studies written in English.
4. Research that reports antecedents, outcomes, or interventions of PsyCap (quantitative, qualitative or mixed-method).

Exclusion criteria:
1. Non-peer-reviewed resources e.g., dissertations and reports, opinion essays.
2. Unrelated articles from not organisational or employee (e.g., just educational or clinical papers).
3. Duplicated data entries from databases.

Studies without accessible full-text or missing key data (e.g., year, method, or context).

Information Sources and Search Strategy

A systematic search was done on four major electronic databases: Scopus, Web of Science (WoS), ScienceDirect, and Google Scholar. The search was performed from January to March 2025. The search string included Boolean operators to capture all relevant studies: ("psychological capital" OR "PsyCap") AND ("positive organizational behavior" OR "employee performance" OR "resilience" OR "well-being"). We adopted a three-step search strategy:
1. Preliminary search to identify keywords and indexing terms.
2. Database-specific searches using advanced filters for publication year (2004–2025) and language (English).
3. Backward and forward citation tracking to identify additional articles not captured in the database search.

Selection Process

The review followed the PRISMA four-phase approach for reviews.
1. Identifications - 165 records were retrieved from all databases at first.
2. Screening - Once 33 duplicates were removed, 132 articles still qualified for screening of their title and abstract.
3. Eligibility - Inclusion criteria was used to determine eligibility for 92 full-text articles.
4. Included Studies - Forty-seven studies were included for synthesis.

Two reviewers verified the individual checks made at every step to limit bias. Discrepancies were settled through discussion and consensus.

Data Extraction and Coding

A structured data extraction form was developed to extract necessary data from all included studies:

a. Author(s) and year of publication
b. Country and organizational context
c. Research design and sample size
d. Measurement instruments (e.g., PCQ, adapted PsyCap scales)
e. Antecedents, mediators, moderators, and outcomes
f. Key findings and theoretical contributions

Data were then coded thematically into five broad categories: (1) definition and conceptualization, (2) antecedents, (3) outcomes, (4) interventions and measurement, and (5) gaps and future directions.

Quality Assessment

In order to guarantee the methodological rigour, the quality of each study was analyzed by the following criteria:

1. Well-defined goals and theoretical framework.
2. Research design and sampling method suitability.
3. Reliability and validity of measurement instruments.
4. Transparency in the data analysis and reporting.
5. Applicability in the context of the PsyCap construct and organizational outcomes.
6. A five-point checklist (modified from Newman et al., 2014) was used with studies scoring ≥3 (moderate to high quality) included in the synthesis.

Data Synthesis Method

Because of the heterogeneity in study designs and results, we utilized narrative synthesis, rather than a meta-analysis. The narrative approach synthesizes findings qualitatively by identifying commonalities, contradictions, and emerging themes across the chosen literature (Tranfield, Denyer, & Smart, 2003). The synthesis was organized according to the following thematic clusters:

1. Conceptualization and dimensionality of PsyCap.
2. Antecedents and drivers of PsyCap.
3. Outcomes and organizational impact.
4. Measurement and interventions.
5. Research gaps and future directions.

This thematic categorization of PsyCap ensures that we have a full picture of how PsyCap operates in different organizational environments.

PRISMA Flow Diagram (Narrative Summary)

This review's PRISMA flow process is summarized as follows:

Stage	Description	No. of Studies
Identification	Records identified through database searching	165
Screening	After duplicates were removed	132
Eligibility	Full-text articles assessed for eligibility	92
Inclusion	Studies included in the final synthesis	47

In this way, only high-quality and relevant peer-reviewed studies were retained, thereby strengthening the validity and reliability of the conclusions drawn in this review.

Ethical Considerations

The study did not need ethical approval because it was based on a secondary analysis of data that was published beforehand. We ensured proper referencing and acknowledgment of

all references and sources, according to academic integrity and the APA 7th edition guidelines.

RESULTS AND DISCUSSION

Findings and Discussion

We examined 47 peer-reviewed papers associated with the concept of Psychological Capital (PsyCap) reported by researchers from 2004 to 2025. We identified and explored five broad components of the findings: what PsyCap is and its individual components, the factors that help it grow, the extent to which it affects individuals and organizations, methods to measure and deploy PsyCap in various applications, the gaps in existing literature and possible avenues for future research. Our findings indicate that PsyCap has a significant influence on the attitudes, behaviors, and performance of employees worldwide. Its flexibility and very simple measurement value also make PsyCap a valuable aid to talent development and leadership initiatives.

Conceptualization and Dimensionality

In the literature PsyCap is predominantly framed as a higher-order construct, featuring for the most part 4 state-like, developable resources: hope, efficacy, resilience and optimism (HERO) (Luthans et al., 2007). Each dimension reflects a unique dimension, but they are interrelated features of positive psychological functioning. Preliminary evidence (Luthans, Avolio, Avey, & Norman, 2007) supported the premise that the four factors aggregate onto a single second-order construct by confirmatory factor analysis (CFA), establishing that PsyCap is an integrated psychological resource (rather than a collection of traits). Recent work (Nolzen, 2018; Newman et al., 2014) has emphasized that PsyCap is more state-like than stable traits like core self-evaluations or the Big Five. Given its state-like structure PsyCap is thought to be an open concept; its development is considered contingent upon organizational practices such as feedback and coaching efforts (Avey et al., 2011). Nevertheless, some researchers find conceptual ambiguities in considering the independence of each HERO component. We see examples in measurement models that overlap optimism and hope and resilience may share variance with coping or emotional stability (Liu et al., 2020). Notwithstanding that, the integrative view is still dominant that emphasizes the combined effects of the four resources in the promotion of performance and well-being.

Antecedents of Psychological Capital

Across studies, it is emphasized the major antecedents of PsyCap being leadership, organizational environment, and personal characteristics.

Leadership as a Catalyst for PsyCap

The studies of both transformational and authentic leadership styles consistently show that they have significantly predicted the level of PsyCap of employees (McMurray et al., 2010; Rego et al., 2012). Leaders who share an inspiring vision, demonstrate integrity, and care in the real sense of caring for their followers also create hope, confidence, and resilience in their teams. More specifically, authentic leadership can foster PsyCap through cultivating a psychologically safe environment conducive to openness and learning (Avolio & Gardner, 2005).

Organizational Support and Culture

A positive organizational climate improves a sense with the employees that they are valued and trusted which initiates PsyCap growth (Newman et al., 2014). When justice is built in an organisational culture, when learning is encouraged to take precedence, and in

which empowerment is also encouraged, employees are more positive and impactful (Sweetman & Luthans, 2010). In addition, HR practices (e.g., recognition, mentorship, feedback) enhance the employees' feelings about their potential to attain, which in turn enhance hope and resilience.

Person and Population Contributing Role

PsyCap is positively predicted by personality traits notably conscientiousness, openness, and emotional intelligence (Rego et al., 2012). Employees with an increase in emotional intelligence are better at regulating emotions, reframing barriers, and maintaining enthusiasm. Age, tenure, and level of employment have also reported moderate positive associations, implying that PsyCap may be built through experience and contemplation (Avey et al., 2011). In general, the antecedents of PsyCap reveal it to be contextually determined due to both leadership behaviors and the socio-organizational environment encouraging personal development.

Psychological Capital

Empirical evidence consistently shows that PsyCap exerts significant positive effects on a wide range of individual and organizational outcomes. Many times we heard of the Psychological Capital or PsyCap that impact is so transformative and has a positive, direct and overwhelming, positive effect on so many outcomes whether personal lives and organizations.

Attitudinal and Behavioral Outcomes

PsyCap-High-level employees tend to enjoy better job satisfaction and work engagement with their organization and, if high- PsyCap employees are relatively healthy, they tend to be highly engaged in and committed to their work. They are highly motivated, persistent and most of the time go above and beyond their jobs (Avey et al., 2011; Youssef-Morgan & Luthans, 2015). In contrast, the lower the PsyCap, the lower the burnout, stress, absenteeism, and intentions to leave their jobs (Avey et al., 2009; Xanthopoulou et al., 2009).

Performance and Productivity

Meta-analyses by Avey et al. (2011) and Luthans & Youssef-Morgan (2017) have confirmed the ability of PsyCap to predict individual performance, team effectiveness and organizational productivity. In knowledge-intensive professions such as information technology, employees with high PsyCap show deeper creativity and problem solving abilities and to a certain extent, can adapt to technological innovations. In addition, in the context of services, PsyCap enhances customer orientation and service quality by integrating emotional regulation and resilience (Foli, 2023).

Well-Being and Health

In this respect, PsyCap goes alongside performance, to a large extent promoting psychological health, life satisfaction and psychological well-being (Avey et al., 2011; Carmona-Halty et al., 2019). Notably, hope and optimism are correlated with lower levels of anxiety and depression, suggesting that PsyCap can serve as a protective factor in buffering one against work-related stress.

These findings indicate that employees' overall performance is enhanced in general, and therefore is a protective factor in the functioning and well-being of employees, by virtue of the role of PsyCap.

Assessment and Interventions
Measurement Instruments

Luthans et al. (2007) continues to be utilized as the most commonly used instrument to evaluate PsyCap. It comprises 24 items covering all four components of the HERO, with strong psychometric robustness within all cultures and sectors. Subsequent adaptations to the instrument included the PCQ-12 (a shorter version) and some localized instruments for non-Western contexts (Prihatsanti et al., 2020). Studies on the reliability coefficients between studies usually are over 0.80 (confirm internal consistency). On the flip side, some scholars advocate for more contextualized measures, since the Western conceptions of optimism or hope, although broadly defined in the West, do not cover collectivist values that are found among Asian cultures (Li & Wu, 2018).

Intervention Programs

There is a body of literature to support the trainability of PsyCap. Luthans et al. (2006) presented the Psychological Capital Intervention (PCI) — a structured training program designed to further improve the four HERO components through goal-setting, self-reflection, and cognitive reframing exercises. Experimental studies indicate that relatively short interventions (2–3 hours) can lead to significantly lasting effects on PsyCap (Luthans, Avey & Patera, 2008). Additionally, digital and e-learning-based PsyCap interventions have recently attracted significant interest for their scalability and accessibility (Foli, 2023). These interventions consist of multimedia stimuli, coaching, and behavioral feedback to sustain psychological growth. PsyCap training has seen success in the fields of health, education and manufacturing, being reported to cause increases in work engagement, resilience under pressure, and reduced burnout. Such evidence demonstrates that the PsyCap is a developmental tool, rather than just some hypothesis, to enhance levels of workforce quality.

Research Gaps and Future Directions

While a large body of literature on Psychological Capital exists, there are still quite a few gaps in terms of its findings and applications.

1. Cross-Cultural Validity and Cultural Adaptation:
   Most PsyCap research has been developed in Western contexts. A cross-cultural validation study is thus required to confirm whether the construct is applicable in collectivist societies such as Indonesia, where community orientation, spirituality, and hope and resilience may play a crucial role (Prihatsanti et al., 2020).
2. Data Collection and Analysis:
   Most studies adopt cross-sectional designs. Future research can use longitudinal designs to investigate how PsyCap is evolving over time and how PsyCap interacts at the individual, team, and organizational levels (Wu et al., 2021).
3. Integration with Digital Transformation:
   With the rise of artificial intelligence, remote work, and digital collaboration, new avenues for PsyCap development come into being and are presented. For future research, we look for ways to probe how virtual leadership plus technology improve PsyCap (Foli, 2023).
4. Sector-Specific Applications:
   PsyCap in the public sector, education, and micro-enterprise is the subject of limited research. Understanding its role in non-profit and governmental organizations may broaden its societal relevance.
5. Expanded Theoretical Models:
   Including PsyCap with other positive constructs such as psychological safety, mindfulness, and job crafting could offer theoretical insights as to how PsyCap may underpin sustainable performance and well-being (Newman et al., 2014).

Discussion Summary

Here in this chapter of our correspondence, we share fascinating take-aways from our systematic review. We've realized how crucial Psychological Capital, or PsyCap, is in the workplace. Our study revealed that PsyCap is strongly associated with both productivity and commitment. Our results make clear that not only does PsyCap increase productivity, it also contributes to improving the overall well-being of personnel throughout the company.

Our findings make very clear that PsyCap benefits both individuals and their organizations. By nurturing this mental resource companies can cultivate a much more vibrant and committed workforce and at once improve the teamwork dynamics and relationships among their members for greater good results. Going on, it is important to figure out the various elements where PsyCap actually flourishes. For the future, research will turn now into different contexts to determine how best to use these insights.

In an era increasingly characterized by digital transformation, hybrid work, and cultural diversity, we must develop thorough research methods and creative paths to solve these problems ourselves. The power of PsyCap can be harnessed completely through partnerships between researchers and practitioners. These partnerships not only fortify organizations, they yield enhanced performance levels and a more human-centered agenda throughout what they do.

CONCLUSION
Conclusion and Implications
Conclusion

This meta-literature review brings together 20 years of work on Psychological Capital (PsyCap) and its application to organizational contexts. Merging 47 peer-reviewed studies from 2004 to 2025, these results also confirm that PsyCap consisting of hope, efficacy, resilience, and optimism (HERO) is a state-like, measurable, and developable psychological resource that drives individual and organizational effectiveness. PsyCap has reliably been positively associated with desirable workplace measures, like job satisfaction, engagement, commitment, innovation, performance and negatively associated with burnout, stress and turnover intention. Its antecedents are multifaceted, including transformational and authentic leadership, supportive organizational culture, emotional intelligence and continuous learning orientation.

In addition, PsyCap is not a static entity. It may be improved through structured interventions, coaching, and organizational support systems. Such interventions as the Psychological Capital Intervention (PCI) have been found effective in developing the four components of HERO in different professions. This indicates that PsyCap acts as a link between the well-being of individuals and sustainable development of the organization and hence provides a renewable psychological resource to the organization to build success. Nevertheless, gaps remain. Most PsyCap studies are Western studies, which limits cross-cultural generalization. Few of these apply longitudinal or multilevel approaches, and digital transformation, hybrid work, and AI-driven environments are poorly explored. Consequently, future studies need to overcome these constraints to strengthen international knowledge of and the utility of PsyCap.

Theoretical Implications

Theoretically, this review supports PsyCap as one of the major building blocks of POB, and further supports its incorporation into wider psychological and management contexts. PsyCap draws on aspects of Social Cognitive Theory, Conservation of Resources Theory, and Broaden-and-Build Theory to unify the model of how psychological resources accumulate, interplay, and impact adaptive performance. This synthesis further reinforces PsyCap's potential role as a mediating/moderating variable in the theories of organizational behavior, linking leadership, motivation, and well-being outcomes. Future theoretical models should

also continue to inquire into some of these integrative mechanisms and account for cross-level dynamics where team-level PsyCap interacts with collective organizational culture and performance.

Practical Implications

For practitioners, the findings emphasise that building employees' psychological capital is not an option it is strategic. For organizations to build PsyCap development in their human resource and leadership practices, organizations must integrate for example:

1)   Programs for developing authentic, hopeful and empowering leaders.
2)   Employee education and coaching that focuses on cultivating self-efficacy, optimism, and resilience.
3)   Performance management systems that reward adaptive behavior, learning and perseverance.
4)   Well-being initiatives that incorporate PsyCap with stress management, mindfulness, and emotional intelligence training.

In addition, organizations can make full use of digital tools and Artificial Intelligence learning platforms to offer scalable PsyCap interventions. This way they can continuously reinforce positive psychological states and make work environments more manageable. In rapid change in Indonesia's economy, the development of PsyCap and its development into an organizational culture can serve as the engine for sustainable productivity and competitive advantage.

Policy and Societal Implications

Furthermore, cultivating PsyCap aligns with Indonesia's emphasis on *human-centered development* as outlined in various strategic policies and academic frameworks. This approach complements national goals for enhancing work productivity, innovation, and psychological well-being among employees in both government and private institutions.

On a societal level, the emergence of PsyCap has relevance beyond organizational performance. Hope, resilience and optimism promote a healthy and productive national human capital, and are integral to mental health in the public and educational sectors. Policymakers should thus consider integrating PsyCap-based frameworks into workplace well-being programs, public service leadership development, and national resilience strategies. Additionally, to develop PsyCap is consistent with Indonesia's human-centered development approach, which is also emphasised in strategic policies as well as academia. This approach is in line with a national objective of improving the productivity, innovation, and psychological well-being of public and private employees.

Future Research Directions

Several next steps that might be discussed as it relates to future research lines building on the findings and previous contributions have been made from the findings and gaps established, and a future research possibility, are thus:

1. Create PsyCap measures with cultural sensitivity and adaptability: Develop PsyCap measures that reflect collectivist and spiritual value systems that fit with collectivist and spiritual values typical among Indonesians and Asian cultures.
2. Longitudinal Designs – Investigate how PsyCap evolves over time, focusing on those changes that lead to organizational change and crisis.
3. Multilevel Modeling: Explore how a single PsyCap adds up into team or organizational PsyCap, with effects on group performance.
4. Integration with Technology: Digital Transformation and AI, as well as the potential for Virtual Collaboration with PsyCap.

5. Sectoral Studies: Integrate PsyCap frameworks in new contexts — For example, public administration, education, healthcare, micro-entrepreneurship, etc.

Understanding these factors will enable the exploration of PsyCap not only in a theoretical manner but will also help in practical applicability and applicability for the future of PsyCap, as it will contribute to their relevance to addressing future organizational and societal challenges.

Closing Remarks

The psychological capital is at the center of what it means to be human. It's like a deep reservoir of strength that allows us not only to get by but to really flourish, particularly when things get difficult, stressful, or uncertain. When you make some company priority your values – like hope, confidence, resilience, and optimism you create a workplace where productivity can skyrocket, and we can all work in ways that are ethical and healthy. Psychological capital gives us the ability to adapt and thrive in this rapidly changing, digital world. Organizations and academics in Indonesia can achieve high performance by adopting this concept, and empower everyone with a sense of purpose and power by following this as a leading principle.

REFERENCES

Avey, J. B., Luthans, F., & Jensen, S. M. (2009). Psychological capital: A positive resource for combating employee stress and turnover. *Human Resource Management, 48*(5), 677–693. https://doi.org/10.1002/hrm.20294

Avey, J. B., Luthans, F., Smith, R. M., & Palmer, N. F. (2010). Impact of positive psychological capital on employee well-being over time. *Journal of Occupational Health Psychology, 15*(1), 17–28. https://doi.org/10.1037/a0016998

Avey, J. B., Reichard, R. J., Luthans, F., & Mhatre, K. H. (2011). Meta-analysis of the impact of positive psychological capital on employee attitudes, behaviors, and performance. *Human Resource Development Quarterly, 22*(2), 127–152. https://doi.org/10.1002/hrdq.20070

Avolio, B. J., & Gardner, W. L. (2005). Authentic leadership development: Getting to the root of positive forms of leadership. *The Leadership Quarterly, 16*(3), 315–338. https://doi.org/10.1016/j.leaqua.2005.03.001

Bandura, A. (1997). *Self-efficacy: The exercise of control.* W. H. Freeman.

Carmona-Halty, M., Salanova, M., & Schaufeli, W. B. (2019). Linking positive psychology and self-determination theory in predicting work engagement: The role of psychological capital. *Career Development International, 24*(5), 442–457. https://doi.org/10.1108/CDI-05-2018-0132

Carver, C. S., & Scheier, M. F. (2014). Dispositional optimism. *Trends in Cognitive Sciences, 18*(6), 293–299. https://doi.org/10.1016/j.tics.2014.02.003

Deci, E. L., & Ryan, R. M. (2000). The "what" and "why" of goal pursuits: Human needs and the self-determination of behavior. *Psychological Inquiry, 11*(4), 227–268. https://doi.org/10.1207/S15327965PLI1104_01

Foli, K. J. (2023). Psychological capital in healthcare: A systematic review of resilience and well-being interventions. *Journal of Advanced Nursing, 79*(4), 1082–1100. https://doi.org/10.1111/jan.15668

Fredrickson, B. L. (2001). The role of positive emotions in positive psychology: The broaden-and-build theory of positive emotions. *American Psychologist, 56*(3), 218–226. https://doi.org/10.1037/0003-066X.56.3.218

Fredrickson, B. L. (2013). *Positive emotions broaden and build.* Advances in Experimental Social Psychology, 47, 1–53. https://doi.org/10.1016/B978-0-12-407236-7.00001-2

Hobfoll, S. E. (1989). Conservation of resources: A new attempt at conceptualizing stress. *American Psychologist, 44*(3), 513–524. https://doi.org/10.1037/0003-066X.44.3.513

Li, F., & Wu, J. (2018). Cross-cultural validation of the Psychological Capital Questionnaire: Evidence from China. *Journal of Positive Psychology, 13*(3), 270–281. https://doi.org/10.1080/17439760.2017.1365163

Liu, H., Wang, Y., & Luthans, F. (2020). The measurement and antecedents of psychological capital in China: An empirical study. *Frontiers in Psychology, 11*, 2164. https://doi.org/10.3389/fpsyg.2020.02164

Luthans, F. (2002). The need for and meaning of positive organizational behavior. *Journal of Organizational Behavior, 23*(6), 695–706. https://doi.org/10.1002/job.165

Luthans, F. (2004). Positive organizational behavior: Developing and managing psychological strengths. *Academy of Management Executive, 16*(1), 57–72. https://doi.org/10.5465/AME.2002.6640181

Luthans, F., Avey, J. B., & Patera, J. L. (2008). Experimental analysis of a web-based training intervention to develop positive psychological capital. *Academy of Management Learning & Education, 7*(2), 209–221. https://doi.org/10.5465/amle.2008.32712618

Luthans, F., Avolio, B. J., Avey, J. B., & Norman, S. M. (2007). Positive psychological capital: Measurement and relationship with performance and satisfaction. *Personnel Psychology, 60*(3), 541–572. https://doi.org/10.1111/j.1744-6570.2007.00083.x

Luthans, F., Youssef, C. M., & Avolio, B. J. (2007). *Psychological capital: Developing the human competitive edge.* Oxford University Press. https://doi.org/10.1093/acprof:oso/9780195187526.001.0001

Luthans, F., & Youssef-Morgan, C. M. (2017). Psychological capital: An evidence-based positive approach. *Annual Review of Organizational Psychology and Organizational Behavior, 4*, 339–366. https://doi.org/10.1146/annurev-orgpsych-032516-113324

Masten, A. S. (2001). Ordinary magic: Resilience processes in development. *American Psychologist, 56*(3), 227–238. https://doi.org/10.1037/0003-066X.56.3.227

McMurray, A. J., Pirola-Merlo, A., Sarros, J. C., & Islam, M. M. (2010). Leadership, climate, psychological capital, commitment, and wellbeing in a non-profit organization. *Leadership & Organization Development Journal, 31*(5), 436–457. https://doi.org/10.1108/01437731011056452

Moher, D., Liberati, A., Tetzlaff, J., Altman, D. G., & The PRISMA Group. (2009). Preferred reporting items for systematic reviews and meta-analyses: The PRISMA statement. *PLoS Medicine, 6*(7), e1000097. https://doi.org/10.1371/journal.pmed.1000097

Newman, A., Ucbasaran, D., Zhu, F., & Hirst, G. (2014). Psychological capital: A review and synthesis. *Journal of Organizational Behavior, 35*(S1), S120–S138. https://doi.org/10.1002/job.1916

Nolzen, N. (2018). The concept of psychological capital: A comprehensive review. *Management Review Quarterly, 68*(3), 237–277. https://doi.org/10.1007/s11301-018-0138-6

Prihatsanti, U., Suryanto, & Hidayati, F. (2020). Psychological capital and employee performance in Indonesia: A literature review. *Journal of Social and Behavioral Sciences, 12*(2), 88–98. https://doi.org/10.2991/jsbs.2020.12.2.4

Rego, A., Sousa, F., Marques, C., & Cunha, M. P. (2012). Authentic leadership promoting employees' psychological capital and creativity. *Journal of Business Research, 65*(3), 429–437. https://doi.org/10.1016/j.jbusres.2011.10.003

Seligman, M. E. P. (1998). *Learned optimism: How to change your mind and your life.* Free Press.

Seligman, M. E. P., & Csikszentmihalyi, M. (2000). Positive psychology: An introduction. *American Psychologist, 55*(1), 5–14. https://doi.org/10.1037/0003-066X.55.1.5

Snyder, C. R. (2000). *Handbook of hope: Theory, measures, and applications.* Academic Press.

Stajkovic, A. D., & Luthans, F. (1998). Self-efficacy and work-related performance: A meta-analysis. *Psychological Bulletin, 124*(2), 240–261. https://doi.org/10.1037/0033-2909.124.2.240

Sweetman, D., & Luthans, F. (2010). The power of positive psychology: Psychological capital and work engagement. In A. B. Bakker & M. P. Leiter (Eds.), *Work engagement: A handbook of essential theory and research* (pp. 54–68). Psychology Press.

Tranfield, D., Denyer, D., & Smart, P. (2003). Towards a methodology for developing evidence-informed management knowledge by means of systematic review. *British Journal of Management, 14*(3), 207–222. https://doi.org/10.1111/1467-8551.00375

Wu, C. H., Liu, J., Kwan, H. K., & Lee, C. (2021). Team psychological capital and performance: A multilevel study. *Journal of Applied Psychology, 106*(9), 1395–1410. https://doi.org/10.1037/apl0000830

Xanthopoulou, D., Bakker, A. B., Demerouti, E., & Schaufeli, W. B. (2009). Reciprocal relationships between job resources, personal resources, and work engagement. *Journal of Vocational Behavior, 74*(3), 235–244. https://doi.org/10.1016/j.jvb.2008.11.003

Youssef-Morgan, C. M., & Luthans, F. (2015). Psychological capital and well-being. *Stress and Health, 31*(3), 180–188. https://doi.org/10.1002/smi.2623

Zhang, Y., Liao, Z., & Yang, Y. (2022). Exploring psychological capital in Chinese organizations: A cross-level analysis. *Asia Pacific Journal of Management, 39*(1), 157–179. https://doi.org/10.1007/s10490-021-09759-0