

**EXPERIENCES OF EMPLOYEES IN A NON-PROFIT ORGANISATION:  
THE ROLE OF PSYCHOLOGICAL CAPITAL**

Lorette Theron BA Hons

Mini-dissertation submitted in partial fulfilment of the requirements for the degree *Magister  
Artium* in Industrial Psychology in the School of Behavioural Sciences at the  
Vaal Triangle Campus of the North-West University

Supervisor: Mrs Juraida Latif

Assistant Supervisor: Dr Danie du Toit

Vanderbijlpark

November 2015

## **REMARKS**

The reader is reminded of the following:

- The referencing as well as the editorial style as prescribed by the Publication Manual (6th edition) of the American Psychological Association (APA) was followed in this mini-dissertation. This practice is in line with the policy of the Programme in Industrial Psychology of the North-West University (Vanderbijlpark Campus) to use APA style in all scientific documents.
- The mini-dissertation is submitted in the form of a research article.

## ACKNOWLEDGEMENTS

I am sincerely grateful to various people who played a role in my journey towards completing this mini-dissertation. It would not have been possible without the assistance and support from:

- My supervisor, Mrs Juraida Latif, for her valuable input, advice and taking on this challenge with me.
- My co-supervisor, Dr Danie du Toit, for his expert knowledge, optimism and support throughout this time.
- Mrs Elizabeth Bothma, who patiently assisted me with the statistics.
- Dr Elsabé Diedericks, for the language editing and availing her services at such short notice.
- Dr Ria Slabbert, for her critical input and confidence in my study.
- Dr Maretha Prinsloo, for her guidance and being a very generous, understanding and supportive employer.
- My parents, Francois and Shirley, and my brothers, Francois and Pierre-Arnold, for their unconditional support and love throughout all these years.
- My friends and colleagues, who believed in me and lifted my spirits when I was discouraged.
- The members of the organisation who participated with positivity and eagerness in the study.

## TABLE OF CONTENTS

List of Figures	vi
List of Tables	vii
Summary	viii

### CHAPTER 1: INTRODUCTION

1.1	Problem Statement	1
1.2	Research Objectives	12
1.2.1	General Objective	12
1.2.2	Specific Objectives	12
1.3	Research Method	12
1.3.1	Research Design	13
1.3.2	Quantitative Research	14
1.3.2.1	Participants and Procedure	14
1.3.2.2	Measuring Instruments	15
1.3.2.3	Statistical Analysis	16
1.3.3	Qualitative Research	16
1.3.3.1	Research Setting	16
1.3.3.2	Entry and Establishing Researcher Roles	16
1.3.3.3	Participant Selection	17
1.3.3.4	Data Collection Methods	17
1.3.3.5	Recording of Data	18
1.3.3.6	Data Analysis	18
1.3.3.7	Strategies to Ensure Quality Data	19
1.3.4	Ethical Considerations	19
1.4	Overview of Chapters	20
1.5	Chapter Summary	20
	References	21

## TABLE OF CONTENTS (Continued)

<b>CHAPTER 2: RESEARCH ARTICLE</b>	28
<b>CHAPTER 3: CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS</b>	70
3.1 Conclusions	70
3.2 Limitations	73
3.3 Recommendations	73
3.3.1 Recommendations for the Organisation	73
3.3.2 Recommendations for Future Research	74
References	76

## LIST OF FIGURES

<b>Figure</b>	<b>Description</b>	<b>Page</b>
<b>Chapter 1</b>		
Figure 1	Substructure of PsyCap	8
Figure 2	Explanatory sequential mixed method design	14
<b>Chapter 2: Research Article</b>		
Figure 1	Distribution of PsyCap	44
Figure 2	Thematic network of reasons for employees to work at an NPO	55

## LIST OF TABLES

<b>Table</b>	<b>Description</b>	<b>Page</b>
	<b>Research Article</b>	
Table 1	Personal Characteristics of Participants ( $N = 108$ )	38
Table 2	Professional Characteristics of Participants ( $N = 108$ )	39
Table 3	Descriptive Statistics for Total PsyCap and Sub-constructs ( $N = 108$ )	45
Table 4	Initial Principal Component Analysis (PCA): Total variance explained	45
Table 5	Final Principal Axis Factoring (PAF): Factor loadings	46
Table 6	Reasons why Respondents Joined an NPO Initially	46
Table 7	Aspects that Motivate Respondents to Work at an NPO	49
Table 8	Intrinsic and Extrinsic Rewards Received from Working at an NPO	50
Table 9	Meaning Derived from Working at an NPO	51
Table 10	Perceived Work Fulfilment at an NPO	52
Table 11	Calling as a Reason to Work at an NPO	53
Table 12	Choice Between Working in the NPO, Public and Private Sector	54

## SUMMARY

**Title:** Experiences of employees in a non-profit organisation: The role of psychological capital

**Key words:** Non-profit organisation, psychological capital, self-efficacy, optimism, hope, resilience, positive organisation, mixed method, explanatory sequential design

Research regarding employee well-being has generally been neglected in the non-profit organisation (NPO) sector. In many aspects NPOs function similar to for-profit organisations, but face challenges such as more financial restraints. Despite these difficulties, many people choose to work at and remain employed with NPOs. The NPO sector is expanding at a rapid pace and therefore needs to recruit and retain people more effectively without spending too many resources.

The objective of this study was to investigate the role of psychological capital (PsyCap) in the decision to work in the NPO sector, and determine further reasons to choose and remain with this sector. An explanatory sequential mixed method design was used with an availability sample ( $N=108$ ) of employees at an NPO in the social services sector in Gauteng and North West provinces. In the quantitative study, the Psychological Capital Questionnaire (PCQ) was used as measuring instrument. The qualitative study entailed semi-structured interviews with participants with lower ( $n = 8$ ) and higher ( $n = 8$ ) PsyCap.

The results indicated that NPO employees had a higher level of PsyCap. Differences with regard to their preference to work at an NPO were found between individuals with higher and lower levels of PsyCap, specifically pertaining to the reasons for joining an NPO, motivation, meaning, fulfilment and viewing their work as a calling. No clear inconsistencies with regards to rewards and the choice of working in the NPO, public and private sectors were found among individuals with higher and lower PsyCap. The main reasons influencing the decision to work at an NPO were altruism, type of rewards, job satisfaction, organisational factors, positive social influence, and experiencing their work at an NPO as a calling. The study addresses the lack of

research on employee well-being in the NPO sector and extends PsyCap research to NPOs. Characteristics of employees who choose to work in NPOs are emphasised.

Recommendations for the organisation and suggestions for future research are presented.

# **CHAPTER 1**

## **INTRODUCTION**

This mini-dissertation focuses on the role that psychological capital plays in the experiences of employees of a non-profit organisation. Reasons for choosing employment in non-profit organisations are investigated.

The first chapter introduces the problem statement and provides background on the constructs used in this research. The general and specific objectives for the research are set out. The research method is also discussed and an overview of the division of chapters is given.

### **1.1 PROBLEM STATEMENT**

The non-profit, non-governmental or “third” sector has long been neglected when taking the concepts of employee well-being and positive organisations into account (Goulet & Frank, 2002; Kosny & Eakin, 2008). Few studies have focused on the positive psychological capital (PsyCap) of employees in non-profit organisations (NPOs) (Firestone, 2010). An NPO is defined, according to the Nonprofit Organisations Act, 71 of 1997 (Department of Social Development, 1997), as “a trust, company or any other association of persons (a) established for a public purpose; and (b) the income and property of which are not distributable to its members or office-bearers, except as reasonable compensation for services rendered” (p. 2).

Worldwide, NPOs are facing numerous challenges pertaining to aspects such as sustainability, funding, lack of skills and competence, limited fringe/employee benefits, high expectations, administrative difficulties, compliance with legislation, financial management, governance, transparency, accountability, increased competition, lack of support from government and poor human resources management (Ahmad, 2002; Department of Social Development, 2005, 2009; Firestone, 2010; Michel, 2012; Ridder & McCandless, 2010; Vasan, 2004). The global recession which had an impact on organisations worldwide, had an even greater impact on NPOs (Michel, 2012). Notwithstanding these difficulties, NPOs have been successful in employing a large number of professional personnel and other members of the workforce (Department of Social Development, 2005; Salamon, Sokolowski, & Geller, 2012).

Despite the challenges associated with NPOs, some people still prefer to work in the NPO sector, even though there are other, more lucrative or attractive employment options available to them. Available statistics from 2012 indicated that there were around 2.3 million NPOs operating in the United States of America (USA) (Roeger, Blackwood, & Pettijohn, 2012). These NPOs employed an estimated 10.7 million paid workers in 2010, which is approximately 10.1% of their workforce and the third largest sector compared to the other industries (after retail trade and manufacturing) in the USA (Salamon et al., 2012). As of 2014, there are approximately 124 000 registered NPOs in South Africa (NPO Register, [www.npo.gov.za](http://www.npo.gov.za), 2014) and the sector is still expanding by an estimated average growth of 15% per annum (Department of Social Development, 2011). There seems to be no current statistics available on the number of employees who are employed by the NPO sector in South Africa; however, in 1998 it was estimated that there had been approximately 650 000 employees in this sector (Swilling & Russell, 2002).

NPOs have been integrated into the South African society for almost a century (Wyngaard, 2009) and in the last one and a half decades, have been more closely regulated under the NPO Act 71, 1997 (Companies and Intellectual Properties Registration Office, 2009; Department of Social Development, 1997). Even though these organisations do not exist for profit, and their main aim is promoting communal benefit in the social, environmental, arts, educational or science arenas, amongst others, they are incorporated as “companies” under the Companies Act, 71 of 2008 (Department of Trade and Industry, 2011).

In most cases NPOs have rarely been viewed as “workplaces” (Kosny & Eakin, 2008), but more often viewed as informal groups of people working towards a cause. One example is the King Report on Governance, the King III, which did not consider the South African NPO sector in the development of a governance code; a result that is impractical and harmful to this sector (Wyngaard & Hendricks, 2010). This ambiguity resulted in a new code of governance that was developed and published in July 2012, “The Independent Code of Governance for Non-Profit Organisations in South Africa” (Rosenthal, 2012). This means that NPOs now have an independent code that can be applied to the entire NPO sector. In 2001 the Codes of Good Practice (CGP) were developed and published by the Department of Social Development in support of the requirements of the NPO Act (Department of Social Development, 2001).

These codes aim at:

- Creating a productive environment for NPOs;
- Enhancing the abilities of NPOs in order to partner effectively with government and the private sector in the development of communities; and
- Encouraging NPOs to take responsibility in ensuring and maintaining high practice standards in good governance; efficient management; development and maximisation of resources; effective fundraising; productive relationships with government, donors, beneficiaries, the general public and other stakeholders; accurate administration; and ethical compliance (Department of Social Development, 2001, 2009).

According to the CGP, the governing body of an organisation must ensure that the organisation has a strategic plan (mission, goals and objectives), operational plan (setting out annual activities), financial plan (budget) and an agreement of monitoring and evaluating its own progress and performance (knowledge of the organisation, commitment to the organisation, ability to give, willingness to work) (Department of Social Development, 2009).

A study assessing the practical implementations of the CGP by NPOs revealed that only 53% of NPOs in South Africa were found to have a strategic plan, and although over half of the NPOs have an annual budget, 80% do not have sufficient resources to meet the annual budget (Department of Social Development, 2009). With regard to human resources policies in NPOs, only half of the organisations had policies and procedures for employee recruitment and placing, training and development, performance appraisal, and dealing with employee discipline and grievances (Department of Social Development, 2009). According to the new Code of Governance, NPOs are held accountable for fair remuneration, employment conditions, empathic human relations and development of employees (Rosenthal, 2012). The Code also stipulates that the NPO has to “observe best practice principles in its staff policies, and its own management of human relations” (Rosenthal, 2012, p. 18).

There is a clear distinction between the more organised and better resourced NPOs, Non-Government Organisations (NGOs) and the less structured and poorly resourced Community Based Organisations (CBOs) (Department of Social Development, 2005). Many of the NPOs were previously referred to as “Section 21 companies”, which were non-profit incorporated organisations registered as per Section 21 in the NPO Act. They are now known as non-profit

companies (NPCs) as stipulated by the new Companies Act 71 of 2008 (Department of Trade and Industry, 2011). The more organised and regulated NPOs reflect similar organisational structures, processes and development as those found in both public and private organisations.

The NPOs in South Africa are categorised according to the International Classification of Non-profit Organisations (ICNPO). Social services take up the largest contingent (34%), then development and housing (21%), followed by religion (12%). This is trailed by health (11%), education and research (11%), culture and recreation (5%), law, advocacy and politics (2%), environment (1%), philanthropic intermediaries and voluntarism promotion (1%), business and professional associations and unions (0.5%) and lastly international organisations (0.06%) (Department of Social Development, 2011). This study focuses on the largest portion of NPOs in South Africa, namely the social services.

Very little research could be found on employee well-being at NPOs; whereas extensive research has been conducted in the private and public sectors (Goulet & Frank, 2002; Schepers et al., 2005). A comparative study provided evidence that employees in NPOs have higher levels of job satisfaction than employees working in for-profit organisations in the United States and Great Britain (Benz, 2005). The same study found that people who had worked at NPOs and for-profit organisations during their careers were more satisfied with their jobs when employed at an NPO than a for-profit organisation. Job satisfaction is related to positive organisational outcomes, such as organisational commitment and organisational citizenship behaviour (Carr, 2011). Wright, Cropanzano, and Bonett (2007) found that psychological well-being moderates the relationship between job satisfaction and job performance. This identifies a link between job satisfaction, well-being and positive organisational outcomes. If positive organisational outcomes and employee well-being are found in a positive organisation, it leads to the expectation that positive employees would be found in a “positive NPO”.

In order to determine what a positive NPO would entail, one has to first understand the concept of positive organisations. The emergence of positive organisational scholarship resulted in an academic movement of studying the flourishing, abundance and virtuousness of organisations and their employees (Cameron & Caza, 2004; Cameron, Dutton, & Quin, 2003). This group of academics also studied the dynamics that result in the development and

promotion of human strengths, vitality and cultivation of exceptional organisations and employees. Positive organisational scholarship embarked on a more scientific approach and established a conceptual framework in which positive organisations could be studied (Luthans & Youssef, 2007). The movement of positive organisational scholarship is aimed at the macro-level or organisational-level research. Stemming from this, the field of positive organisational behaviour (POB) emerged. POB, concerning the individual, is applicable on a micro-level (Luthans, 2002), and is defined as a study of human resource strengths and psychological capacities in the workplace. These strengths and psychological capacities are positively inclined and *state-like* (open to development and change), as opposed to *trait-like* (stable, fixed psychological capacities which are difficult to change) (Luthans & Youssef, 2007). Luthans and Avolio (2009) further emphasised the defining state-like feature of POB and postulated that it should be embedded in theory, research, and valid measurement.

Stemming from POB, PsyCap was believed to have first been introduced to the field of organisational behaviour in 2004 (Luthans & Avolio, 2009). PsyCap is a combination and interaction of the four positive psychological capacities, namely self-efficacy, optimism, hope and resilience (Luthans & Youssef, 2007).

PsyCap is strongly supported by empirical research, especially when taking into account the combined research that has been conducted on the four positive constructs (Luthans, Avolio, Avey, & Norman, 2007). It appears that the largest amount of research on the concept of PsyCap has been published since 2007. This is evident of increased interest in this emerging topic, adding to the empirical validation of this construct.

PsyCap is characterised by:

“(1) having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; (2) making a positive attribution (optimism) about succeeding now and in the future; (3) persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and (4) when beset by problems with adversity, sustaining and bouncing back and even beyond (resiliency) to attain success” (Luthans, Youssef, & Avolio, 2007, p. 3).

The above definition of PsyCap can be further explained by discussing each of the four constituting constructs, namely self-efficacy, optimism, hope and resilience, separately.

### **Self-efficacy**

Stemming from the social cognitive theory of Bandura (1977, 1982), self-efficacy is the self-perception of efficacy, or confidence to perform a certain action successfully. A person develops personal mastery of an action in a specific context through influencing thought patterns, actions and emotional arousal. In the workplace, self-efficacy is described as a belief that people are capable of achieving a task by using the motivation, cognitive resources and specific actions required to complete the task in the given circumstances (Stajkovic & Luthans, 1998). It is mostly attained through mastery experiences, vicarious learning and modelling, social persuasion and psychological and physiological arousal (Bandura, 1977; Stajkovic & Luthans, 1998). Mastery experiences entail on-the-job training or performing tasks with increasing difficulty levels; however, these hands-on approaches and opportunities to achieve success are sometimes risky, unavailable or costly. Vicarious learning and modelling are used to learn from others' successful experiences and include formal and informal training programmes (such as mentoring and coaching). Social persuasion occurs through group support and encouragement, positive feedback, respect and trust. Psychological and physical arousals are (indirect and direct) effects of practicing, training interventions and social support in performing actions successfully (Luthans & Youssef, 2007). Consequently, self-efficacy is regarded as state-like, meaning that it is open to development and change (Luthans & Youssef, 2007). It is also adjustable in different contexts and dependent on contextual factors facing the individual (Bandura, 1977). Self-efficacy has the most extensive research support and the most established theoretical foundation of all four constructs (Luthans & Youssef, 2007).

### **Optimism**

Before optimism was associated with Martin Seligman and the positive psychology movement (Seligman, 1998), Scheier and Carver (1985) attempted to measure dispositional optimism by investigating “good” outcomes in people's lives and their general expectations of their lives in the future. These authors described optimistic people as having a favourable outlook on life, believing that good things will happen to them. Optimism is given as the

explanation in instances where positive events are explained through personal, permanent and ever-present causes; and negative events through external, situation-specific and temporary causes (Youssef & Luthans, 2007). Seligman (1998) provided another dimension of optimism by explaining it to be the opposite of learned helplessness. Optimism is furthermore not as context-specific as self-efficacy, as optimists hold a more generalised view of positive expectations (Scheier & Carver, 1985).

## **Hope**

Snyder (1995) conceptualised and defined hope as “the process of thinking about one’s goals (agency), along with the motivation to move toward (pathway) and the ways to achieve these goals” (p. 355). Hope, in other words, is made up of *agency thinking*, which is a person’s self-assessment that one is capable of implementing the means to achieve a desired goal; and *pathway thinking*, which is a person’s self-assessment that one is capable of generating those means (Tong, Fredrickson, Chang, & Lim, 2010). It is similar to self-efficacy and optimism in that it is a cognitive strategy. However, hope differs from self-efficacy in that it is cross-situational (self-efficacy is situation-specific). Hope is linked to positive goals and therefore differs from optimism, as optimism distances itself from negative outcomes (Snyder, 1995). Studies have shown that hope is associated with performance outcomes in the workplace (Luthans & Youssef, 2007) and negatively related to both voluntary and involuntary absenteeism (Avey, Patera, & West, 2006).

## **Resilience**

Resilience is the ability with which individuals adapt and “bounce back” to achieve good outcomes, despite adversity or threats to their development (Luthans, Youssef et al., 2007; Masten, 2001; Wagnild & Young, 1993). Thus, it is viewed as state-like and also described as an ability to cope successfully or bounce back from significant change, failure, adversity, risk or conflict (Luthans, 2002). Resilience is not only a reactive, but also a proactive capacity, as it provides the ability to see setbacks as opportunities for growth (Luthans & Youssef, 2007). Compared to hope, resilience is similar to the pathways dimension; however, the agency dimension is lacking (Luthans, 2002). Resilience also differs from self-efficacy in that it involves a smaller domain and is more reactive (Luthans, 2002).

PsyCap is therefore multi-dimensional in nature as it combines the four positive constructs to be a Gestalt-like core construct that can predict results more accurately than any one of the four constructs alone (Luthans, 2012). Figure 1 illustrates the substructure of PsyCap and the interaction with the four constructs as found in a study by Culbertson, Fullager, and Mills (2010). According to these authors, each of the four constructs had high loadings (0.70 or higher) on PsyCap as latent variable. This indicates that each independent variable is represented by PsyCap.

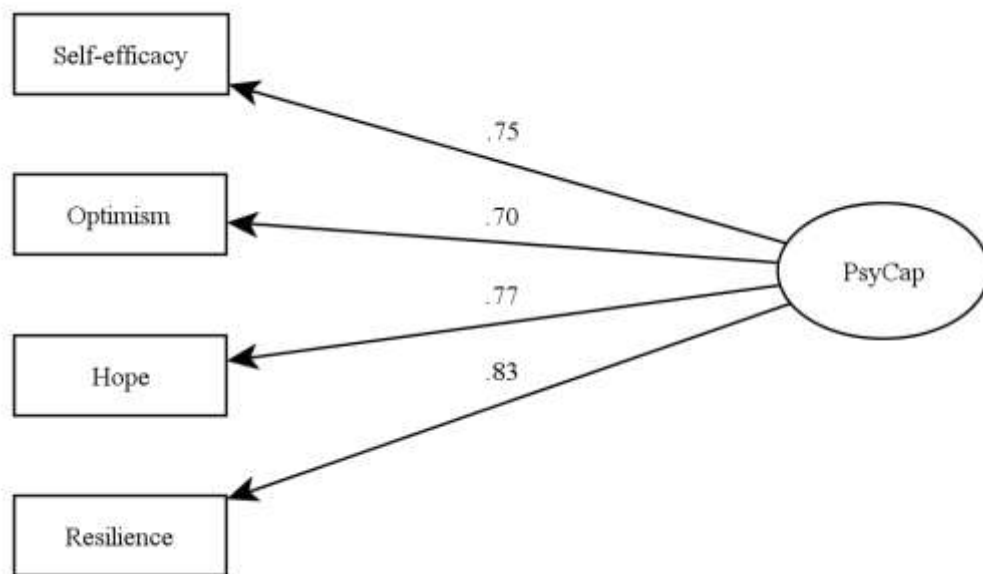


Figure 1. Substructure of PsyCap (Culbertson et al., 2010)

PsyCap has several important benefits: PsyCap is measurable (Luthans, Youssef et al., 2007) and malleable, as it can be developed and changed through training or micro-interventions (Hodges, 2010; Luthans, Avey, Avolio, Norman, & Combs, 2006; Luthans, Avey, Avolio, & Peterson, 2010; Peterson & Spiker, 2005). Training interventions spanning over one to three hours can improve overall PsyCap and the components of self-efficacy, hope, optimism, and resilience (Avey, Luthans, & Jensen, 2009). Interventions can be implemented for older workers who have been demotivated due to negative past experiences (Peterson & Spiker, 2005). PsyCap may even have financial implications for organisations and enhance their return on investment (Luthans et al., 2006). In a micro-intervention study involving PsyCap development, Hodges (2010) found that it resulted in managers being more positive. This changed behaviour might in turn have had a positive impact on the PsyCap of the managers' associates (Hodges, 2010).

Considering the above benefits of PsyCap, the emphasis on enhancing employee well-being is underscored by the broader sense of psychological well-being. PsyCap is related to the field of psychological well-being (Avey, Luthans, Smith, & Palmer, 2010), specifically regarding human happiness, flourishing, and thriving; yet also in the organisational setting (Culbertson et al., 2010). Culbertson et al. (2010) suggested that organisations should focus on the PsyCap of their employees, should they wish to enhance employee well-being; therefore accentuating the focus on individual behaviour and attitudes.

Studies have found positive relationships between PsyCap and individual behaviour and attitudes. In a meta-analysis study (Avey, Reichard, Luthans, & Mhatre, 2011), significant positive relationships were found between PsyCap and desirable employee attitudes (job satisfaction, organisational commitment and psychological well-being), desirable employee behaviour (citizenship) and measures of performance (self, supervisor evaluations, and objective measures). PsyCap has been shown to be related to organisational commitment and intention to stay with an organisation, and to add value to existing financial, human and social capital in organisations (Youssef & Luthans, 2010). PsyCap was also found to be positively related to organisational citizenship behaviour. This means that people with high PsyCap do not only engage in fewer undesirable behaviours or counterproductive work behaviours, but also present *extrarole* behaviours, such as proactively making suggestions for improvement and sharing creative ideas (Avey, Luthans, & Youssef, 2010).

Research on PsyCap also focused on negative relationships with constructs that might be detrimental in the workplace. Significant inverse relationships were indicated between PsyCap and undesirable attitudes (cynicism, turnover intention, job stress and anxiety), and undesirable employee behaviour (counterproductive work behaviour, deviance) (Avey et al., 2011; Avey et al., 2009). PsyCap was also negatively related to organisational cynicism and intention to quit, which indirectly predicts turnover (Avey, Luthans, & Youssef, 2010).

PsyCap is positively related to performance, satisfaction and commitment, especially in a supportive climate where people will exhibit higher levels of PsyCap (Luthans, Norman, Avolio, & Avey, 2008). Furthermore, PsyCap was also related to employee performance, including manager-rated performance, customer referrals and sales performance (Avey, Nimnicht, & Pigeon, 2010). In response to criticism that research about PsyCap and employee performance has mostly been cross-sectional, a longitudinal study was conducted

in which it was found that an improvement in PsyCap resulted in an improvement in both supervisor-rated and objective performance (Peterson, Luthans, Avolio, Walumbwa, & Zhang, 2011). However, no causal relationship was proven in this study by Peterson et al.

PsyCap has proven to be a better overall predictor of involuntary absenteeism than both job satisfaction and organisational commitment (Avey et al., 2006), and a predictor of creative performance, which has implications for innovation in organisations (Sweetman, Luthans, Avey, & Luthans, 2011). It was suggested that PsyCap could be of value to organisations when they experience turmoil or change (Du Plessis & Barkhuizen, 2012).

Several studies of PsyCap have been conducted using nursing populations. In one study (Luthans & Jensen, 2005), a significant relationship was found between PsyCap and commitment to the mission, values and goals of the organisation (the hospital) as well as intention to stay. Another study of a Chinese nursing population confirmed that PsyCap is related to job embeddedness and performance of nurses (Sun, Zhao, Yang, & Fan, 2012). Job embeddedness is defined as all the forces that influence people to not leave their employment and includes psychological, professional and personal reasons for remaining in a job (Sun et al., 2012).

PsyCap research has predominantly been limited to quantitative cross-sectional studies which incorporated self-report questionnaires, placing it at risk for social-desirability biases (Newman, Ucbasaran, Zhu, & Hirst, 2014). Very few qualitative or longitudinal studies exist in PsyCap literature.

Given this knowledge, it is necessary to investigate the PsyCap of individuals employed by NPOs to determine if individuals with higher PsyCap are more inclined to work and remain in an NPO than in the private or public sectors. Not many studies conducted within NPOs and utilising PsyCap could be found. It seems that the majority of studies focused on NPOs' leadership and did not concentrate specifically on the employees at these NPOs. One study found that both transformational and transactional leadership contributed to employees' PsyCap in NPOs (McMurray, Pirol-Merlo, Sarros, & Islam, 2009). A study by Firestone (2010) looked at the relationships between PsyCap and demographic and non-work related variables displayed by NPO employees in social services. The study found that PsyCap is positively related to the non-work related aspects of an employee's life.

Considering the research on PsyCap, research regarding motivation or reasons for people preferring to work in the NPO sector has also been found. Explanations provided are social mission (Mesch & Rooney, 2005); non-monetary and humane goals (Brandl & Güttel, 2007); faith-based identity (specifically in a faith-based NPO) and humanitarian mission (Bassous, 2010); fulfilling, meaningful and community orientated jobs (Mann, 2006); a desire to make a difference and a sense of purpose (Flannigan, 2010); intrinsic motivation (Bassous, 2010); spirituality (Mize Smith, Arendt, Lahman, Settle, & Duff, 2006); altruism; personal growth; and a preference for working with and for people (Schepers et al., 2005). NPO employees sacrifice financial or extrinsic rewards for personal benefits or intrinsic rewards (Benz, 2005; Flannigan, 2010; Mize Smith et al., 2006; Schepers et al., 2005; Wilson & Larson, 2002); although the study by Mesch and Rooney (2005) found a statistically significant relationship between pay and performance for employees in fundraising positions.

One of the prominent reasons found in research why many employees choose NPOs, is that they relate their choice to a calling (Bassous, 2010; Flannigan, 2010; Mize Smith et al., 2006). In an effort to clarify the previously vague constructs of a calling and vocation at work, Dik and Duffy (2009) proposed the following definition of a calling:

“A calling is a transcendent summons, experienced as originating beyond the self, to approach a particular life role in a manner oriented toward demonstrating or deriving a sense of purpose or meaningfulness and that holds other-oriented values and goals as primary sources of motivation” (p. 427).

A calling therefore means that an external source, such as God, fate or needs of the society, brings a certain motivation in an individual to pursue a life role, being mindful that one's actions in this life role also fit into a broader spectrum of purpose and meaningfulness in life (Dik & Duffy, 2009). Overlapping with a calling is the construct of vocation which is defined by Dik and Duffy (2009) as “an approach to a particular life role that is oriented towards demonstrating or deriving a sense of purpose or meaningfulness and that holds other-oriented values and goals as primary sources of motivation” (p. 428). A calling and vocation are viewed as ongoing processes of evaluating the meaningfulness and purpose of a job.

In line with the above, it is therefore essential to determine the reasons why employees choose to work and remain at an NPO, as NPOs are subject to limited resources and cannot afford a high turnover of staff or unnecessary expenditure on recruitment. Different

conclusions can be drawn by viewing the “positive NPO” from the angle of PsyCap in those individuals employed at an NPO; information which can be further utilised to explain why employees choose an NPO as employer.

The current research aimed to answer the following questions:

- How is PsyCap conceptualised in literature?
- What is the level of PsyCap among employees at an NPO?
- Do employees with higher and lower levels of PsyCap differ in their preference of choosing an NPO as employer?
- What are the reasons for employees preferring to work at an NPO?

## **1.2 RESEARCH OBJECTIVES**

The research objectives are divided into general and specific objectives.

### **1.2.1 General Objective**

This study investigated the reasons why people choose and remain at an NPO as an employer, by describing the PsyCap of such employees.

### **1.2.2 Specific Objectives**

The specific objectives of this research were:

- To conceptualise PsyCap in literature.
- To determine the level of PsyCap among employees at an NPO.
- To investigate whether employees with higher and lower levels of PsyCap differ in their preference of choosing an NPO as employer.
- To determine the reasons for employees preferring to work at an NPO.

## **1.3 RESEARCH METHOD**

The research method consisted of a literature review and empirical study. The results obtained from the research were presented in the form of a research article.

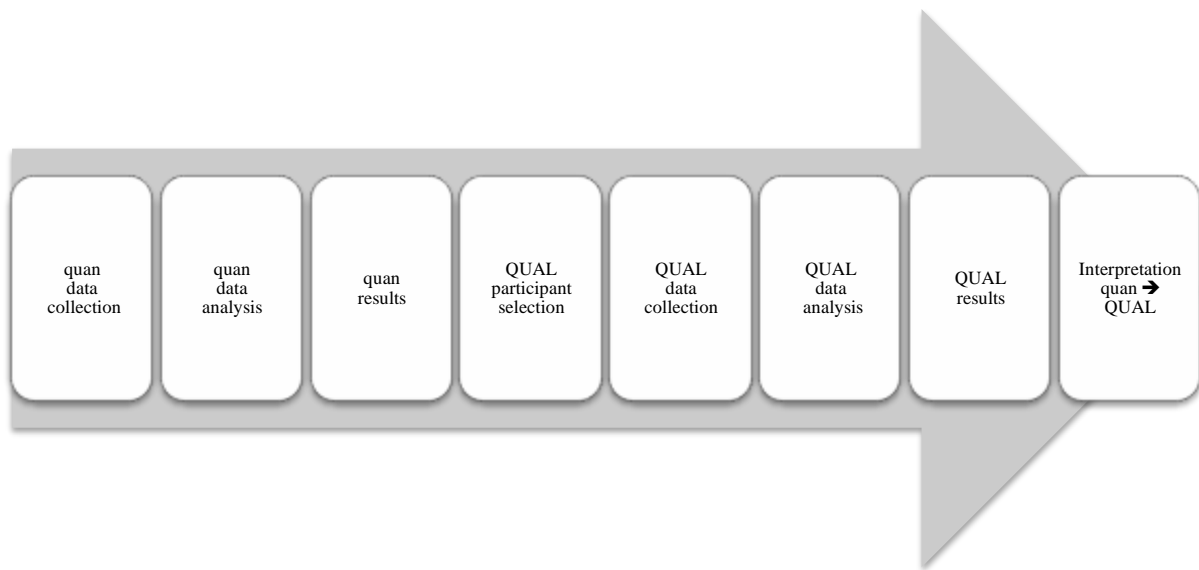
### **1.3.1 Research Design**

For the purpose of this study, a two-phase mixed method design was used. According to Creswell and Plano Clark (2007), mixed method research entails collecting and analysing both quantitative and qualitative data in a rigorous and persuasive manner. A mixed method design combines the data in a sequential way, giving priority to one or both types of data. By combining the quantitative and qualitative data, the research problem is understood better than by utilising only one method. Another advantage is that the shortcomings of each of the methods (such as ignoring the context in quantitative research, and personal bias in qualitative research) are overcome, by combining the strengths of both approaches (Creswell & Plano Clark, 2007).

The quantitative part of the study followed the post-positivism paradigm where the approach was from “top down” and knowledge claims were based on (a) determination, (b) reductionism, (c) empirical observation and measurement, and (d) theory verification (Creswell & Plano Clark, 2007).

In contrast, the constructivist paradigm supported the qualitative part of the study, where research was followed from the “bottom up” and included the understanding of phenomena by which participants gave meaning to their worldviews that were shaped by social interactions and personal histories; finally generating theories (Creswell & Plano Clark, 2007).

In this study, the mixed research method included an explanatory sequential mixed design as illustrated in Figure 2. The explanatory design followed a sequence that started with the quantitative method (quan), continuing towards the qualitative method (QUAL). The QUAL is capitalised to indicate that the emphasis of the study was on the qualitative phase (Creswell & Plano Clark, 2007).



*Figure 2.* Explanatory sequential mixed method design (Cresswell & Plano Clark, 2007, p. 63)

Firstly, a quantitative study was conducted, followed by qualitative descriptive research stemming from the results of the quantitative research. The reasoning behind this was that the results of the quantitative study needed to be understood more in depth through applying quantitative techniques (Creswell & Plano Clark, 2007). The emphasis was on the quantitative results and this interacted with the qualitative study. The quantitative and qualitative strands were mixed during the data analysis, whereby the quantitative results were used to make decisions about the qualitative research questions, sampling and data collection in phase two.

### **1.3.2 Quantitative Research**

#### **1.3.2.1 Participants and Procedure**

The quantitative part included an availability sample of employees ( $N = 108$ ) from a registered and regulated NPO operating in the social services sector within Southwest Gauteng (West Rand and Vaal Regions) and North West Province. Social service organisations formed the largest contingent of NPOs in South Africa and represented 34% of all registered NPOs (Department of Social Development, 2011). The sample consisted of permanent employees, including social workers, child and youth care workers, administrative staff, financial staff, health care workers, and managerial staff. The sample also included

employees from multicultural backgrounds, based in rural and urban areas. This sample size of 108 was deemed to be adequate towards obtaining a general overview of PsyCap in the NPO. The sample contributed towards answering the research questions as those employees all chose to work for an NPO, whilst there were similar positions available in public and private organisations.

A letter was sent to the director of the NPO, explaining the study and requesting permission to conduct the study with the employees on their premises. Permission was granted, and the documents were sent to the different offices and institutions belonging to the organisation. The document contained a general letter explaining the purpose of the research, an invitation to take part in the study, a consent form, the measuring instrument in the form of a questionnaire, and a biographical questionnaire. Participation in the study was voluntary, and emphasis was placed on confidentiality. The questionnaire was in paper format and was collected in sealed envelopes upon completion. It should be noted that participants could not remain anonymous, as research participants for the qualitative part of the study needed to be selected based on the quantitative results. However, the names of participants were only known by the researcher and were treated in a confidential manner.

### **1.3.2.2 Measuring Instrument**

The *Psychological Capital Questionnaire* (PCQ, Luthans, Avolio, et al., 2007) was used to measure the PsyCap of employees. The PCQ was developed using criteria from scales of the four components of self-efficacy (Parker, 1998), optimism (Scheier & Carver, 1985), hope (Snyder et al., 1996) and resilience (Wagnild & Young, 1993). This measurement consisted of 24 items, with four subscales (self-efficacy, optimism, hope and resilience), each measured by six items. The items included statements such as, “*This person feels confident analysing a long-term problem to find a solution*”, and were measured on a 6-point Likert scale that ranged from 1 (*strongly disagree*), 2 (*disagree*), 3 (*somewhat disagree*) to 6 (*strongly agree*). The individual’s level of PsyCap was represented by the overall score. Previous studies produced acceptable Cronbach alpha coefficients ranging between 0.88 and 0.89 (Luthans, Avolio et al., 2007). A South African study found that a three-factor structure was more applicable to a human resource population; a scale referred to as the PSA-PsyCap and consisting of the following factors: hopeful-confidence, resilience, and optimism (Cronbach alpha = 0.86, 0.77 and 0.81 respectively) (Du Plessis & Barkhuizen, 2012). However, due to

the fact that the original Psychological Capital Questionnaire had been more supported in research, it was used to measure PsyCap in an NPO in this study.

Biographical information was obtained from participants and consisted of structured questions where participants indicated demographic information with regard to age, gender, race/ethnicity, language, marital status, educational level, job level and tenure.

### **1.3.2.3 Statistical Analysis**

Data was analysed with SPSS 22.0 for Windows (IBM, 2013) and Mplus 7.2 (Muthén & Muthén, 2014). Descriptive statistics were used to test assumptions which included the mean, standard deviation, range of scores, skewness and kurtosis (Pallant, 2007). The internal consistency or reliability of the scale was also determined by referring to the Cronbach alpha coefficient which should be above 0.70 (Pallant, 2007). The descriptive statistics indicated the level of PsyCap among employees in the NPO. The factorial validity of the PCQ was determined through Principal Axis Factoring Analysis and Exploratory Factor Analysis; a previous South African study indicated a three-factor structure which is different from the general four-factor structure of the PCQ (Du Plessis & Barkhuizen, 2012).

### **1.3.3 Qualitative Research**

An explanatory sequential mixed method design was followed with a qualitative phase following the quantitative phase.

#### **1.3.3.1 Research Setting**

The research setting was similar to the quantitative part; involving employees from a registered and regulated NPO operating within the Gauteng and North West provinces in the social services sector.

#### **1.3.3.2 Entry and Establishing Researcher Roles**

Entry into the organisation was granted during the quantitative phase. The researcher took on a different role in the qualitative phase, namely that of interviewer. As an interviewer, the

researcher had to remain objective and took on the role of an “outsider”. However, the researcher did not remain at the extreme of the continuum of participation as complete observer only (Marshall & Rossman, 2010). The researcher still interacted with the participant. Careful consideration was taken of the researcher’s own biases.

### **1.3.3.3 Participant Selection**

Stemming from the results of the qualitative phase, the participant selection model of the explanatory design was followed (Creswell & Plano Clark, 2007), as participants from the same sample were selected according to their levels of PsyCap. Sixteen participants were selected, based on their individual levels of PsyCap in relation to the PsyCap distribution of the overall sample. Of these 16 participants, eight participants with higher levels of PsyCap and eight participants with lower levels of PsyCap were selected to explore their reasons for preferring to work at an NPO. The selected participants were contacted individually and informed that further in-depth clarification was required through semi-structured interviews. Information regarding the PsyCap levels of each participant was not divulged to them in order to minimise participant expectation.

### **1.3.3.4 Data Collection Methods**

Semi-structured, open-ended and close-ended individual interviews were conducted in order to identify reasons for working at NPOs. Interviews were conducted in a private room on the premises. According to Marshall and Rossman (2010), certain benefits of interviews are that they collect ample data fast and the researcher understands the meanings that activities hold for people. The researcher using interviews should be skilled and experienced in the interview process, as it is important to build rapport and trust with the participant (Marshall & Rossman, 2010).

The following questions were asked in the interview:

- Why did you prefer to join the NPO?
- What motivates you to work at this organisation?
- What are the rewards you receive from working at this organisation?
- What creates meaning in your work?

- Is your work fulfilling?
- Do you view your current employment as a calling?
- If you can have the same job at an NPO, private or public sector, where would you prefer to work?
- Have you ever worked in the private or public sector? If yes, how does it differ from the NPO sector?

The individual interviews were conducted in either Afrikaans or English, according to the preference of the participant.

#### **1.3.3.5 Recording of Data**

Data from the interviews were collected through audio recordings and field notes. Participants provided consent that the interviews be recorded. In order to maintain confidentiality, the data was stored in a location where it would not be accessible to any other person.

#### **1.3.3.6 Data Analyses**

Recorded and written data from the interviews were transcribed verbatim and then analysed with a computer program, ATLAS.ti (Scientific Software Development, 2014).

The responses from the interviews had to be transformed into themes by coding. The data coding followed the following process:

- a) Importing the data into hermeneutic units;
- b) Coding through open coding;
- c) Generating conceptual codes and in-vivo codes; and
- d) Independent coding by peers.

The data was further analysed by utilising thematic analysis and using previous research to create categories. Themes identified and encapsulated reasons why people prefer to work at NPOs, in accordance with the questions posed to them. It was important to first establish the characteristics and boundaries of the different themes, then comparing them with one another

to see how they contrasted and overlapped, and lastly relating the theme to what had already been written in literature (Bazeley, 2009). This process used a thematic network (Attride-Stirling, 2001).

### **1.3.3.7 Strategies Employed to Ensure Quality Data**

In order to ensure that quality data was obtained, the size of the sample for the qualitative study was determined by data saturation. If the quantity of participants is increased, some of the detail and depth of the qualitative data may be sacrificed (Creswell & Plano Clark, 2007). Data was re-checked to ensure correctness.

There are certain strategies that one can utilise to ensure that quality data is obtained. Shenton (2004, p. 64.) lists the following criteria to ensure trustworthiness in qualitative data, as initially proposed by Guba (1981):

- “Credibility” (in preference to internal validity): Developing early familiarisation with the organisation and its culture (through phase 1 of this study), encouraging honesty in participants, iterative questioning, frequent debriefing of the researcher and scrutiny of the research project by peers ensured credibility.
- “Transferability” (in preference to external validity/generalisability): It was important that the results be understood against the backdrop or context, in this case NPOs.
- “Dependability” (in preference to reliability): This was dealt with by providing a thorough description of the research process (quantitative and qualitative) in order to make it possible to duplicate it in future studies.
- “Confirmability” (in preference to objectivity): Following a specific research method, which in this case is the explanatory mixed method design as proposed by Creswell and Plano Clark (2007), ensured the confirmability

### **1.3.4 Ethical Considerations**

In order to conduct successful research, it is expected of a researcher to carry out studies in a fair and ethical manner. Consideration was given to issues such as informed consent, causing no harm, voluntary participation, confidentiality and privacy. Participants were also informed of the ethical requirements of the study.

The following ethical principles were adhered to at all times during the research process:

- Written informed consent was obtained from all participants in which they agreed that they understood the reason for the study and voluntarily provided their participation.
- Participant confidentiality and privacy were respected.
- The researcher was fair and unbiased and did not discriminate unfairly against any participant.
- No harm was caused due to the interaction between the researcher and the participant.
- Anonymity was ensured and although participants' names were required for follow-up research, they were not divulged to other participants or members of the organisation.
- Data was stored and managed in an ethical manner in order for confidentiality and privacy to remain intact.

#### **1.4 OVERVIEW OF CHAPTERS**

According to the objectives set out in Chapter 1, an empirical study was conducted in Chapter 2. Chapter 3 provided the conclusion, limitations and recommendations of the study.

#### **1.5 CHAPTER SUMMARY**

This chapter discussed the problem statement and research objectives. It explained the research method and the measuring instruments; and provided a brief overview of the chapters to follow.

## References

- Ahmad, M. M. (2002). Who cares? The personal and professional problems of NGO fieldworkers in Bangladesh. *Development in Practice, 12*, 177–191.
- Attride-Stirling, J. (2001). Thematic networks: An analytic tool for qualitative research. *Qualitative Research, 1*, 385–405.
- Avey, J. B., Luthans, F., & Jensen, S. M. (2009). Psychological capital: A positive resource for combating employee stress and turnover. *Human Resources Management, 48*, 677–693. doi: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*, 17–28.
- Avey, J. B., Luthans, F., & Youssef, C. M. (2010). The additive value of positive psychological capital in predicting work attitudes and behaviors. *Journal of Management, 36*, 430–452.
- Avey, J. B., Nimnicht, J. L., & Pigeon, N. G. (2010). Two field studies examining the association between positive psychological capital and employee performance. *Leadership & Organization Development Journal, 31*, 384–401.
- Avey, J. B., Patera, J. L., & West, B. J. (2006). The implications of positive psychological capital on employee absenteeism. *Journal of Leadership & Organizational Studies, 13*(2), 42–60. doi:10.1177/10717919070130020401
- 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 Resources Development Quarterly, 22*, 127–152. doi:10.1002/hrdq.20070
- Bandura, A. (1977). Self-efficacy: Toward a unifying theory of behavioral change. *Psychological Review, 84*, 191–215.
- Bandura, A. (1982). Self-efficacy mechanism in human agency. *American Psychologist, 37*, 122–147.
- Bassous, M. (2010). *Factors that affect worker motivation in faith-based nonprofit organizations: A mixed methodology study* (Doctoral dissertation). Available from ProQuest Dissertations and Theses database. (UMI No. 3405499)
- Bazeley, P. (2009). Analysing qualitative data: More than ‘identifying themes’. *Malaysian Journal of Qualitative Research, 2*, 6–22.

- Benz, M. (2005). Not for the profit, but for the satisfaction? – Evidence on worker well-being in non-profit firms. *Kyklos*, 58, 155–176.
- Brandl, J., & Güttel, W. (2007). Organizational antecedents of pay-for-performance systems in nonprofit organizations. *Voluntas*, 18, 176–199.
- Cameron, K. S., & Caza, A. (2004). Contributions to the discipline of positive organizational scholarship. *American Behavioral Scientist*, 47, 731–739.
- Cameron, K. S., Dutton, J. E., & Quinn, R. E. (2003). *Positive organizational scholarship*. San Francisco, CA: Berrett-Koehler Publishers.
- Carr, A. (2011). *Positive psychology: The science of happiness and human strengths*. East Sussex, United Kingdom: Routledge.
- Companies and Intellectual Properties Registration Office. (2009). Non-profit organizations in South Africa: A discussion document. *International Journal of Civil Society Law*, 7(3), 8–15.
- Creswell, J. W., & Plano Clark, V. L. (2007). *Designing and conducting mixed methods research*. Thousand Oaks, CA: Sage.
- Culbertson, S. S., Fullager, C. J., & Mills, M. J. (2010). Feeling good and doing great: The relationship between psychological capital and well-being. *Journal of Occupational Health Psychology*, 15, 421–433. doi:10.1037/a0020720
- Department of Social Development. (2001). Codes of good practice for South African non-profit organisations (NPOs). Pretoria, South Africa: Author.
- Department of Social Development. (2005) Assessment of NPO Act. Pretoria, South Africa: Author.
- Department of Social Development. (2009). Developing good governance practices within the South African NPO sector: Benchmark study report. Pretoria, South Africa: Author.
- Department of Social Development. (2011). 2010/11 State of South African registered nonprofit organisations issued in terms of the Nonprofit Organisations Act 71 of 1997. Pretoria, South Africa: Author.
- Dik, B. J., & Duffy, R. D. (2009). Calling and vocation at work: Definitions and prospects for research and practice. *The Counseling Psychologist*, 37, 424–450.
- Du Plessis, Y., & Barkhuizen, N. (2012). Psychological capital, a requisite for organisational performance in South Africa. *South African Journal of Economics and Management Sciences*, 15, 16–30.

- Firestone, D. J. (2010). *Measuring psychological capital in non-profit social service organizations* (Master's thesis). Available from ProQuest Dissertations and Theses database. (UMI No. 1476790)
- Flannigan, S. T. (2010). Factors influencing nonprofit career choice in faith-based and secular NGOs in three developing countries. *Nonprofit Management & Leadership, 21*, 59–75.
- Goulet, L. R., & Frank, M. L. (2002). Organizational commitment across three sectors: Public, non-profit, and for-profit. *Public Personnel Management 31*, 201–210.
- Guba, E. C. (1981). Criteria for assessing the trustworthiness of naturalistic inquiries. *Educational Communication and Technology Journal, 29*, 75–91.
- Hodges, T. D. (2010). *An experimental study of the impact of psychological capital on performance, engagement, and the contagion effect* (Doctoral dissertation). Retrieved from <http://digitalcommons.unl.edu/businessdiss/7>
- IBM Corp. Released 2013. *IBM SPSS Statistics for Windows, Version 22.0*. Armonk, NY: IBM Corp.
- Kosny, A. A., & Eakin, J. M. (2008). The hazards of helping: Work, mission and risk in non-profit social service organizations. *Health, Risk & Society, 10*, 149–166.
- Luthans, F. (2002). The need for and meaning of positive organizational behaviour. *Journal of Organizational Behavior, 23*, 695-706.
- Luthans, F. (2012). Psychological capital: Implications for HRD, retrospective analysis, and future directions. *Human Resource Development Quarterly, 23*, 1–8.
- Luthans, F., Avey, J. B., Avolio, B. J., Norman, S. M., & Combs, G. M. (2006). Psychological capital development: Towards a micro-intervention. *Journal of Organizational Behaviour, 27*, 387–393. doi:10.1002/job.373
- Luthans, F., Avey, J. B., Avolio, B. J., & Peterson, S. J. (2010). The development and resulting performance impact of positive psychological capital. *Human Resource Development Quarterly, 21*, 41–67. doi:10.1002/hrdq.20034
- Luthans, F., & Avolio, B. J. (2009). The “point” of positive organizational behaviour. *Journal of Organizational Behavior, 30*, 291-307. doi:10.1002/job.589
- 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*, 541–572.

- Luthans, F., Norman, S. M., Avolio, B. J., & Avey J. B. (2008). The mediating role of psychological capital in the supportive organizational climate-employee performance relationship. *Journal of Organizational Behavior*, 29, 219–238. doi:10.1002/job.507
- Luthans, F., & Youssef, C. M. (2007). Emerging positive organisational behaviour. *Journal of Management*, 33, 321–349.
- Luthans, F., Youssef, C. M., & Avolio, B. J. (2007). *Psychological capital: Developing the human competitive edge*. Oxford, United Kingdom: Oxford University Press.
- Luthans, K. W., & Jensen, S. M. (2005). The linkage between psychological capital and commitment to organizational mission: A study of nurses. *Journal of Nursing Administration*, 35, 304–310.
- Mann, G. A. (2006). A motive to serve: Public service motivation in human resource management and the role of PSM in the nonprofit sector. *Public Personnel Management*, 35, 33–48.
- Marshall, C., & Rossman, G. B. (2010). *Designing qualitative research*. Thousand Oaks, CA: Sage.
- Masten, A. S. (2001). Ordinary magic: Resilience process in development. *American Psychologist*, 56, 227–238.
- McMurray, A. J., Pirola-Merlo, A., Sarros, J. C., & Islam, M. M. (2009). Leadership, climate, psychological capital, commitment, and well-being in a non-profit organization. *Leadership & Organization Development Journal*, 31, 436–457.
- Mesch, D. J., & Rooney, P. M. (2005). Determinants of compensation: A study of pay, performance, and gender differences for fundraising professionals. *Nonprofit Management & Leadership*, 18, 435–463.
- Michel, J. (2012). *The challenges experienced by non-governmental organisations with regards to the roll-out of antiretroviral drugs in Kwazulu-Natal* (Master's dissertation). University of South Africa. Retrieved from <http://uir.unisa.ac.za/>
- Mize Smith, J., Arendt, C., Bezek Lahman, J., Settle, G., & Duff, A. (2006). Framing the work of art: Spirituality and career discourse in the nonprofit arts sector. *Communication Studies*, 57, 25–46.
- Muthén, L. K., & Muthén, B. O. (2014). *Mplus user's guide* (7th ed.). Los Angeles, CA: Muthén & Muthén.
- Newman, A., Ucbasaran, D., Zhu, F., & Hirst, G. (2014). Psychological capital: A review and synthesis. *Journal of Organizational Behavior*, 35, 120–138. doi:10.1002/job.1916

- NPO register (n.d.) Retrieved from Department of Social Development website, <http://www.npo.gov.za/> on October, 1, 2014.
- Pallant, J. (2007). *SPSS survivor manual*. Berkshire, United Kingdom: McGraw-Hill.
- Parker S. (1998). Enhancing role-breadth self-efficacy: The roles of job enrichment and other organizational interventions. *Journal of Applied Psychology*, *83*, 835–852.
- Peterson, S. J., Luthans, F., Avolio, B. J., Walumbwa, F. O., & Zhang, Z. (2011). Psychological capital and employee performance: A latent growth modeling approach. *Personnel Psychology*, *64*, 427–450.
- Peterson, S. J., & Spiker, B. K. (2005). Establishing the positive contributory value of older workers: A positive psychology perspective. *Organizational Dynamics*, *34*, 153–167.
- Ridder, H. G., & McCandless, A. (2010). Influences on the architecture of human resource management in nonprofit organizations: An analytical framework. *Nonprofit and Voluntary Sector Quarterly*, *39*, 124–141. doi:10.1177/0899764008328182
- Roeger, K. L., Blackwood, A., & Pettijohn, S. L. (2012). *The non-profit sector in brief: Public charities, giving and volunteering, 2012*. Washington, DC: The Urban Institute.
- Rosenthal, R. (2012). *The independent code of governance for non-profit organisations in South Africa*. Cape Town, South Africa: The Working Group.
- Salamon, L. M., Sokolowski, S. W., & Geller, S. L. (2012). Holding the fort: Nonprofit employment during a decade of turmoil. *Nonprofit Employment Bulletin*, *39*, 1–16.
- Scheier, M. F., & Carver, C. S. (1985). Optimism, coping, and health: Assessment and implications of generalized outcome expectancies. *Health Psychology*, *4*, 219–247.
- Schepers, C., De Gieter, S., Pepermans, R., Du Bois, C., Caers, R., & Jegers, M. (2005). How are employees of the nonprofit sector motivated? A research need. *Nonprofit Management & Leadership*, *16*, 191–208.
- Scientific Software Development (Germany). (1997). *Scientific Software Development's ATLAS.ti: The knowledge workbench: Short user's manual*. Berlin, Germany: Scientific Software Development.
- Seligman, M. E. P. (1998). *Learned optimism*. New York, NY: Free Press.
- Shenton, A. K. (2004). Strategies for ensuring trustworthiness in qualitative research projects. *Education for Information*, *22*, 63–75.
- Snyder, C. R. (1995). Conceptualising, measuring, and nurturing hope. *Journal of Counseling and Development*, *73*, 355–360.

- Snyder, C. R., Sympson, S., Ybasco, F., Borders, T., Babyak, M., & Higgins, R. (1996). Development and validation of the state hope scale. *Journal of Personality and Social Psychology, 70*, 321–335.
- South Africa. Department of Social Development (1997). Nonprofit Organisations Act, 71 of 1997. (Government Gazette 18487, Notice 1627, 3 December 1997). Pretoria, South Africa: Government Printer.
- South Africa. Department of Trade and Industry (2011). Companies Act 2008. Companies Regulations 2011 (Government Gazette 34239, Notice R 351, 20 April 2011). Pretoria, South Africa: Government Printer.
- Stajkovic, A. D., & Luthans, F. (1998). Social cognitive theory and self-efficacy: Going beyond traditional behavioural and motivational approaches. *Organizational Dynamics, 26*, 62–74.
- Sweetman, D., Luthans, F., Avey, J. B., & Luthans, B. C. (2011). Relationship between positive psychological capital and creative performance. *Canadian Journal of Administrative Sciences, 28*, 4–13. doi:10.1002/CJAS.175
- Swilling, M., & Russell, B. (2002). *The size and scope of the non-profit sector in South Africa*. Durban: Centre for Civil Society, University of Natal.
- Sun T., Zhao X. W., Yang L. B., & Fan, L. H. (2012). The impact of psychological capital on job embeddedness and job performance among nurses: A structural equation approach. *Journal of Advanced Nursing, 68*, 69–79. doi:10.1111/j.1365-2648.2011.05715.x
- Tong, E. M. W., Fredrickson, B. L., Chang, W., & Lim, Z. X. (2010). Re-examining hope: The roles of agency thinking and pathways thinking. *Cognition and Emotion, 24*, 1207–1215.
- Vasan, S. (2004). NGOs as employers: Need for accountability. *Economic and Political Weekly, 39*, 2197–2198.
- Wagnild, G. M., & Young, H. M. (1993). Development and psychometric evaluation of the resiliency scale. *Journal of Nursing Management, 1*, 165–178.
- Wilson, M. I., & Larson, R. S. (2002). Nonprofit management students: Who they are and why they enrol. *Nonprofit and Voluntary Sector Quarterly, 31*, 259–270. doi:10.1177/08964002031002005
- Wright, T. A., Cropanzano, R., Bonett, D. G. (2007). The moderating role of employee positive well-being on the relation between job satisfaction and job performance. *Journal of Occupational Health Psychology, 12*, 93–104.

- Wyngaard, R. (2009). The South Africa non-profit sector: Brief perspective on current situation and development since 1994. *International Journal of Civil Society Law*, 7(3), 16–23.
- Wyngaard, R. G., & Hendricks, P. S. A. (2010). South Africa's King III: Highlighting the need for a separate non-profit governance code. *International Journal of Civil Society Law*, 8(2), 1–12.
- Youssef, C. M., & Luthans, F. (2007). Positive organizational behavior in the workplace: The impact of hope, optimism, and resilience. *Journal of Management*, 33, 774–800.
- Youssef, C. M., & Luthans, F. (2010). An integrated model of psychological capital in the workplace. In P. A. Linley, S. Harrington, & N. Garcia (Eds.), *Oxford handbook of positive psychology and work* (pp. 277–288). New York, NY: Oxford University Press.

## **CHAPTER 2**

### **RESEARCH ARTICLE**

# Experiences of Employees in a Non-profit Organisation: The Role of Psychological Capital

## ABSTRACT

**Orientation:** People choose non-profit organisations (NPOs) as employers, despite the many difficulties that are associated with this sector.

**Research purpose:** The aim of this study was to investigate the role that psychological capital (PsyCap) plays in the decision to work in the NPO sector; also to determine further reasons to choose and remain in this sector.

**Motivation for the study:** In many aspects NPOs function similar to for-profit organisations. Employee well-being research in this sector has been neglected.

**Research design, approach and method:** An explanatory sequential mixed method design was used. The population consisted of employees at an NPO in the social services sector with branches in Gauteng and North West provinces ( $N=108$ ).

**Main findings:** NPO employees showed a higher level of PsyCap. Differences were found between individuals with higher and lower levels of PsyCap in their preference to work at an NPO and pertaining to reasons to join an NPO, including motivation, meaning, fulfilment and viewing their work as a calling. There were no strong discrepancies in higher and lower PsyCap individuals with regard to rewards and the choice of working at an NPO, public and private sectors. This study found the following to be the main reasons impacting on a person's decision to work for an NPO, namely altruism, reward, job satisfaction, organisational factors, positive social influence, and calling.

**Practical/managerial implications:** Better recruitment decisions can be made to attract employees who would add value to the NPO and remain in service for longer periods. PsyCap interventions can maintain and enhance the well-being of employees in NPOs.

**Contribution/value-add:** The study contributes to research on employee well-being in the NPO sector and expands PsyCap research to NPOs. It also highlights the characteristics of employees who choose to work at NPOs.

**Key words:** non-profit organisation, psychological capital, self-efficacy, optimism, hope, resilience, positive organisation, mixed method, explanatory sequential design

## INTRODUCTION

Employee well-being research has to date not focused extensively on non-profit organisations (NPOs) (Goulet & Frank, 2002; Schepers et al., 2005). Indications are that NPOs have been neglected, compared to research in the public and private sectors (Firestone, 2010). This lack of research specifically pertains to the concept of positive organisations, including psychological capital (PsyCap) research.

NPOs need to be understood against the backdrop of NPO regulations and descriptions in South Africa. A distinction can be made between NPOs which are better resourced, and community based organisations (CBOs) which are poorly resourced and less structured (Department of Social Development, 2005). NPOs are increasingly becoming more “business-like” and expected to operate like for-profit organisations (Dart, 2004). This entails that NPOs need to consider organisational structures, institutional form, processes, development, and employee well-being as part of their strategic planning (Rosenthal, 2012). Through a code of governance, they have been more regulated in recent years than in the past (Dhunpath, 2003; Rosenthal, 2012). However, due to lack of funding NPOs cannot support and market themselves in the same manner as for-profit organisations; therefore finding it difficult to build a positive brand (Holtzhauzen, 2014).

According to 2014 figures, the NPO sector in South Africa comprises approximately 124 000 registered NPOs (NPO Register, 2014). Comparing this figure to the 76 175 registered NPOs in 2011 (Department of Social Development, 2011), it is clear that the NPO sector is growing at a rapid pace. It grew by approximately 62% in less than three years. NPOs employ a large number of both full time employees and volunteers. These people choose to work at an NPO, despite adverse circumstances (Department of Social Development, 2005; Salamon, Sokolowski, & Geller, 2012). A large number of NPOs suffer due to a lack of financial resources and stability, poor staff competence, governmental pressure and legislation, and global economic volatility (Ahmad, 2002; Department of Social Development, 2005, 2009; Firestone, 2010; Michel, 2012; Ridder & McCandless, 2010; Vasan, 2004). Despite this, many people having cognisance of the difficulties this sector is associated with, choose to work for NPOs.

A starting point to find out why employees choose employment at an NPO is to investigate whether there are certain positive psychological drivers behind their choices. When looking at the individual, the focus is on the field of positive organisational behaviour, as it concerns the study of human resource strengths and psychological capacities in the workplace (Luthans, 2002). The concept of PsyCap emerges from this field, combining and integrating the four positive psychological dimensions, namely self-efficacy, optimism, hope and resilience (Luthans & Youssef, 2007).

Although PsyCap research has grown considerably over the past decade (Newman, Ucbasaran, Zhu, & Hirst, 2014), it has mostly concentrated on for-profit organisations. The need was expressed to investigate other organisational contexts, such as hospitals, educational institutions, government and NPOs (Youssef & Luthans, 2012). In South Africa, PsyCap research is limited and has up to date mainly focused on the private sector (De Waal & Pienaar, 2013; Du Plessis & Barkhuizen, 2012; Görgens-Ekermans, Simons, & Buitendach, 2013).

It might be argued that the individual's PsyCap is associated with his/her choice to work at an NPO, as individuals with higher PsyCap may be more inclined to work at and remain with an NPO. However, other factors that are more difficult to measure, such as intrinsic rewards (Benz, 2005; Flannigan, 2010; Mize Smith, Arendt, Lahman, Settle, & Duff, 2006; Schepers et al., 2005; Wilson & Larson, 2002), calling (Bassous, 2010; Flannigan, 2010; Mize Smith et al., 2006) meaningfulness and fulfilment (Mann, 2006), may be considered as intentions or motivations to choose an NPO as employer.

Taking the above into account, it can be postulated that NPO employees need to have higher levels of PsyCap and other drivers to choose and remain at an NPO, as they face many stumbling blocks and receive few tangible rewards. It is therefore necessary to investigate the experiences of employees at NPOs from the perspective of their PsyCap. Exploring the subjective reasons for choosing to work in the NPO sector could provide further explanations and support for higher levels of PsyCap. The value of this research could contribute to creating a notion of a positive organisation, specifically a "positive NPO" and employing positive employees to ensure sustainability.

## LITERATURE REVIEW

The discussion firstly provides an overview of NPOs, the definition of an NPO and the current classification of NPOs in South Africa. Research that has been conducted on positive psychology/well-being of employees at NPOs is reviewed. The concept of PsyCap is explained and each sub-construct is elaborated on. Studies incorporating PsyCap are referred to, specifically focusing on the links with positive psychological constructs. The discussion also refers to existing research related to reasons to work for NPOs.

### **Non-profit Organisations**

According to the Nonprofit Organisations Act, 71 of 1997 (Department of Social Development, 1997), an NPO is defined as a “trust, company or any other association of persons (a) established for a public purpose; and the income and property of which are not distributable to its members or office-bearers, except as reasonable compensation for services rendered” (p. 2).

NPOs consist of various types of organisations. These include non-governmental organisations (NGOs), community-based organisations (CBOs), faith-based organisations (FBOs), organisations registered as non-profit companies (previously known as Section 21 Companies) under the new Companies Act 71 of 2008 (Department of Trade and Industry, 2011), trusts that have registered with the Master of the Supreme Court under the Trust Property Control Act 57 of 1988 (Department of Justice, 1988), and any other voluntary association that is not-for-profit.

NPOs are categorised in South Africa according to their field of focus, namely social services; development and housing; religion; health; education and research; culture and recreation; law, advocacy and politics; environment; philanthropic intermediaries and voluntarism promotion; business and professional associations, and unions; and international organisations. Of these, social services are the largest contingent of NPOs, representing approximately 34% of the NPOs in South Africa (Department of Social Development, 2011).

As far as research is concerned regarding positive psychology/well-being of employees at NPOs, very few studies were found. In a study by Benz (2005), it was found that NPO employees have a higher job satisfaction than those employed in for-profit organisations. This in turn is linked to intrinsic benefits; therefore NPOs would attract employees with a need for intrinsic benefits. In another study, employees at NPOs were referred to as “the neglected workforce group” (McDermott, Heffernan, & Beynon, 2013). These authors focused on the psychological contract and organisational commitment of paid employees in an NPO; identifying the importance of value enactment in the work role. Volunteer engagement in an NPO was found to be related to organisational commitment and psychological well-being, while their intention to remain was related to organisational commitment (Vecina, Chacón, Marzana, & Marta, 2013).

No research could be found on the topic of employee well-being in NPOs in South Africa. One case study looked at an NGO’s wellness programme and health policy development, but focused on high-risk behaviour and HIV (Arend, 2008).

### **Psychological Capital (PsyCap)**

The phenomenon of PsyCap stems from the field of positive organisational behaviour (POB). POB was conceptualised from positive organisational scholarship, which is the academic movement that focuses on the macro-level of the organisation. POB is the study of workplace-related psychological capacities and human resource strengths; concentrating more on the micro-level of the organisation (Luthans, 2002). Positive psychology in the workplace can be viewed through the lens of POB. POB is grounded in theory with valid measurement. The notion is that POB can be open to change (“state-like”) and is regarded to have a positive impact on individuals in the workplace with reference to performance and job satisfaction (Luthans, 2002).

PsyCap shares the above features of POB and is an encompassing term for a strong positive psychological construct and emerging topic in its own right. PsyCap comprises four positive psychological constructs, namely self-efficacy, optimism, hope and resilience (Luthans & Youssef, 2007). The evidence of the combined research of all four sub-constructs and the growing research for PsyCap itself supports its theoretical base (Luthans, Avolio, Avey, & Norman, 2007). Since its introduction, PsyCap has developed exponentially during the past

decade with regard to research and its applications (Dawkins, Martin, Scott, & Sanderson, 2013; Luthans & Avolio, 2009).

### **Self-efficacy**

The concept of self-efficacy was first included in Bandura's (1977, 1982) social cognitive theory. It entails a person's self-belief to take on a challenging task, and the confidence to apply necessary effort needed to succeed (Luthans, Youssef, & Avolio, 2007). The way in which a person attains self-efficacy necessitates mastery experiences, vicarious learning and modelling, social persuasion, and physiological and psychological arousal (Bandura, 1977; Stajkovic & Luthans, 1998). Of the four pillars of PsyCap, self-efficacy has been researched most extensively and comprehensively (Luthans & Youssef, 2007).

### **Optimism**

Optimism is regarded as a positive orientation to succeed now and in the future (Luthans, Youssef et al., 2007). Also described as the opposite of learned helplessness (Seligman, 1998), optimism is a general belief that good or favourable things will occur in future (Scheier and Carver, 1985). Optimism is a cross-situational cognitive strategy which distances itself from negative outcomes (Snyder, 1995).

### **Hope**

The notion of perseverance towards a goal and changing the ways in which to achieve those goals with success in mind, are conceptualised in the term, hope (Luthans, Youssef et al., 2007). Hope involves thoughts, called agency thinking, and motivation towards goals, which is referred to as pathway thinking (Snyder, 1995; Tong, Fredrickson, Chang & Lim, 2010). Hope is positively associated with workplace performance outcomes (Luthans & Youssef, 2007). There is also an inverse relationship between hope and absenteeism (Avey, Patera, & West, 2006).

## Resilience

Resilience is the ability to sustain and bounce back in the face of adversity in order to achieve success (Luthans, Youssef et al., 2007). People with resilience are therefore capable of attaining positive outcomes and to adapt, despite obstacles such as change, failure, adversity, risk and conflict (Luthans, 2002; Masten, 2001; Wagnild & Young, 1993). Resilience is reactive as well as proactive, as setbacks are viewed as opportunities for growth (Luthans & Youssef, 2007).

Over the years, other positive psychological constructs, such as forgiveness, flow, gratitude, humour and well-being were considered to be included in the concept of PsyCap (Luthans, Norman, Avolio, & Avey, 2008; Luthans & Youssef, 2007). These constructs are considered *nomological*, meaning that by law of nature it is necessary to include these principles, even though they cannot be explained by theory (“Nomological”, 2014). Therefore, they were not included due to lacking adequate theoretical validation. This may result in a conceptual confusion of the PsyCap definition (Dawkins et al., 2013).

Since 2004, research has broadened theoretical evidence for PsyCap in the field of positive psychology. Studies have shown that PsyCap is associated with the psychological well-being of employees (Avey, Luthans, Smith, & Palmer, 2010), such as flourishing and thriving (Culbertson, Fullager, & Mills, 2010). Significant positive relationships between PsyCap and desirable employee behaviour, desirable employee attitudes, and performance measures have been proven (Avey, Reichard, Luthans, & Mhatre, 2011). Research indicated positive relationships between PsyCap and organisational commitment, intention to stay (Youssef & Luthans, 2010), organisational citizenship behaviour (Avey, Luthans, & Youssef, 2010), and performance (Avey, Nimnicht, & Pigeon, 2010; Luthans, et al., 2008; Peterson, Luthans, Avolio, Walumbwa, & Zhang, 2011). It has also been shown that PsyCap acts as a predictor of involuntary absenteeism (Avey, Patera et al., 2006) and creative performance (Sweetman, Luthans, Avey, & Luthans, 2011). PsyCap has, moreover, shown negative relationships with undesirable work attitudes and undesirable employee behaviour (Avey, Luthans, & Jensen, 2009; Avey, Reichard et al., 2011), intention to quit and organisational cynicism (Avey, Luthans, & Youssef, 2010).

## **Reasons to Work for NPOs**

Previous research postulated motivations or explanations for people preferring to work for NPOs. Explanations that emerged and that required further investigation were meaning and fulfilment (Mann, 2006), intrinsic and extrinsic rewards (Benz, 2005; Flannigan, 2010; Mize Smith et al., 2006; Schepers et al., 2005; Wilson & Larson, 2002), and calling (Bassous, 2010; Flannigan, 2010; Mize Smith et al., 2006).

## **RESEARCH DESIGN**

### **Research Objectives**

The current research aims to address the following research objectives, namely to:

1. Determine the level of PsyCap among employees at an NPO;
2. Investigate if employees with higher and lower levels of PsyCap differ in their preference of choosing an NPO as employer; and
3. Determine the reasons for employees preferring to work at an NPO.

### **Research Approach**

Post-positivism was the approach used for the quantitative part of the study. In the post-positivism approach, knowledge is based on a theory (Creswell & Plano Clark, 2007). Collection of data and the verification of theories are followed in an objective and empirical way, but with the belief that reality is probabilistic (Guba & Lincoln, 2005).

The constructivist paradigm was applied for the qualitative part, whereby the phenomena are understood through the experiences and views of the participants in order to generate theories (Creswell & Plano Clark, 2007). Therefore, the study combined both a “top-down” and “bottom up” way of reasoning (Creswell & Plano Clark, 2007). A pragmatic view is taken to combine these two polarised approaches. Pragmatism acknowledges both the existence of an objective reality and a subjective reality, or people’s perceptions, and has been offered as a more suitable paradigm to look at mixed methods research (Barnes, 2012).

## Research Method

A mixed research method was chosen in the form of an *explanatory sequential mixed design* (Creswell & Plano Clark, 2007). This firstly entailed a quantitative study to determine the level of PsyCap amongst employees at an NPO. It was followed by a qualitative study using the results of the quantitative study as a starting point to define the sample for the second part. The qualitative part aimed at determining the difference in employees with higher and lower levels of PsyCap and their preference of choosing an NPO as employer, as well as exploring the reasons employees prefer to work at an NPO. The results from both parts of the study were also combined and used to reach certain conclusions. Credibility of the research was enhanced by following a specific research method, namely the explanatory sequential mixed design (Shenton, 2004). The value of following this method is that a better understanding of the problem is gained; compared to using one method only. The strengths of both methods are thus combined (Creswell & Plano Clark, 2007).

From the quantitative results, participants for the qualitative part were selected from the same sample, based on their higher or lower levels of overall PsyCap. Higher and lower levels were determined by looking at the overall highest and lowest individual scores. Only those individuals who indicated on their consent forms that they would like to take part in the interviews were contacted. Some of the participants had resigned or were deceased, and therefore the next person on the list was considered. The sample size was determined by the principle of data saturation (Mason, 2010), and therefore the interview process was concluded when saturation had been reached.

The individual interviews were conducted, in person, in English or Afrikaans, depending on the participant's preference. The interviewer was sufficient in both languages and no interpreter was required. With the consent of the participant, the interviews were recorded using an audio recording device. In two interviews, written notes were taken as audio recordings were not possible. In order to ensure accuracy, these notes were verified by reading them back to the interviewees. The recordings and notes were stored safely and only the researcher had access to them. The purpose was to keep the information confidential and not to harm the participants (Wagner, Kawulich, & Garner, 2012). The researcher transcribed the interviews, categorising the responses according to interview questions and higher or lower PsyCap groups.

## Participants

For the quantitative part of the study, an availability sample of employees ( $N = 108$ ) from a registered and regulated NPO in the social services sector with branches in Southwest Gauteng (West Rand and Vaal Regions) and North West Province was used. Demographic data was also gathered. Personal and professional characteristics of the participants in the sample are presented in Table 1 and Table 2 to follow.

Table 1

*Personal Characteristics of Participants (N = 108)*

Item	Category	Frequency	Percentage (%)
Gender	Male	10	9.50
	Female	95	90.50
	Missing values	3	2.80
Age	<= 39	30	28.60
	40-48	25	23.80
	49-56	24	22.90
	57+	26	24.80
	Missing values	3	2.80
Race	White	90	85.70
	African	13	12.40
	Coloured	2	1.90
	Missing values	3	2.80
Language	Afrikaans	89	84.60
	Sotho	3	2.90
	Xhosa	3	2.90
	SiSwati	1	1.00
	XiTsonga	1	1.00
	English	3	2.90
	Tswana	5	4.80
	Missing values	3	2.80
Marital Status	Married	67	63.80
	Divorced	14	13.30
	Single	12	11.10
	Widowed	12	11.10
	Missing values	3	2.80

Table 2

*Professional Characteristics of Participants (N = 108)*

Item	Category	Frequency	Percentage (%)
Job Level	Manager	14	13.50
	Professional staff	50	48.10
	Skilled staff	20	19.20
	Support staff	20	18.50
	Missing values	4	3.70
Tenure	<=2,00	36	34.30
	2,10 5,00	20	19.00
	5,10-10,00	24	22.20
	10.10+	25	23.10
	Missing values	3	2.80
Education Level	Below Grade 12	9	8.80
	Grade 12/equivalent	28	25.90
	Technical College Certificate	3	2.90
	Technikon Diploma	20	19.60
	University Degree	27	26.50
	Post –graduate degree: Honours	7	6.90
	Post-graduate degree: Masters	8	7.80
Missing values	6	5.60	

As indicated in Table 1, a large contingent of the participants were female (90.50%), compared to male (9.50%). With regard to age, the majority (28.60%) were younger than 39 years old, 24.80% were older than 57 years, 22.90% fell within the 40 to 48 years age group, and 23.80% were between 49 and 56 years old. The majority were White (85.70%), followed by African (12.40%) and Coloured (1.90%). Most of the participants were Afrikaans (84.50%), while the other home-languages included Tswana (4.80%), English (2.90%), Sotho (2.90%), Xhosa (2.90%), SiSwati (1.00%) and XiTsonga (1.00%). Of the participants, 63.80% were married, 13.30% divorced, 11.10% widowed and 11.10% single.

Table 2 indicates that participants who held Grade 12 or equivalent educational level were in the majority (25.90%), followed by university degrees (26.50%), technikon diplomas (19.60%), qualifications below Grade 12 (8.80%), master's degrees (7.80%), honours degrees (6.90%), and technical college certificates (2.90%). The greatest number of participants was

professional staff (48.10%), while others were skilled staff (19.20%), support staff (18.50%) and managers (13.50%). In most cases, the length of employment or tenure at the organisation was less than two years (34.30%), while 23.10% had been employed for more than ten years, 22.20% between five and ten years and 19.00% between two and five years.

For the qualitative study, a purposive sample ( $N = 16$ ) was taken from the quantitative sample. Participants with higher PsyCap ( $n = 8$ ) and lower PsyCap ( $n = 8$ ) were selected. The sample size was limited, due to data saturation being reached.

It was decided not to describe the characteristics of the qualitative sample due to ethical reasons. This information may result in identifying these individuals, compromising the anonymity of participants.

### **Ethical Considerations**

The employees of the organisation where the study took place were informed about the purpose and procedure of the study. It was made known that after the data from the questionnaire had been analysed, participants with higher PsyCap and participants with lower PsyCap would be selected for follow-up individual interviews. The participants therefore had to be identified; however, their identities were only known to the researcher. The follow-up interviews were held discreetly, so that they could not be identified by their colleagues. The NWU Ethics Committee granted ethical clearance for this study (ethics number FH-SB-2012-0048).

It is important to note that the results of overall PsyCap levels were not shared with the participants, in order not to taint the participants' objectivity. However, there was a risk that participants, identified with lower PsyCap, might experience harm or emotional consequences. This was dealt with by offering a free training workshop to the organisation in a form of a mini-intervention to develop the PsyCap of the employees of the organisation, once the study had been completed.

## Measuring Instruments

The Psychological Capital Questionnaire (PCQ) was utilised to measure the level of PsyCap. This 24-item questionnaire was developed by Luthans, Avolio et al., (2007) and measured the four constructs of PsyCap, namely self-efficacy, hope, resilience, and optimism, and an overall extent of PsyCap. The subcomponents of PsyCap were each measured by six items on a 6-point Likert scale, ranging from 1 (*strongly disagree*) to 6 (*strongly agree*). Sample items included “I feel confident representing my work area in meetings with management” (self-efficacy), “I always look on the bright side of things regarding my job” (optimism), “I can think of many ways to reach my current work goals” (hope), and “I usually take stressful things at work in stride” (resilience). Cronbach alpha coefficients in previous international studies ranged between 0.88 and 0.89 (Luthans, Avolio et al., 2007). South African studies provided acceptable reliability coefficients of 0.91 (Simons & Buitendach, 2013) and 0.85 for total PsyCap (Görgens-Ekermans & Herbert, 2013).

The qualitative data was acquired by asking semi-structured, open-ended and close-ended questions in one-on-one interviews. The questions were pre-determined from previous research on reasons why people work at NPOs. The following questions were asked:

- A. Why did you prefer to join the NPO?
- B. What motivates you to work at this organisation?
- C. What are the rewards you receive from working at this organisation?
- D. What creates meaning in your work?
- E. Is your work fulfilling?
- F. Do you view your current employment as a calling?
- G. If you can have the same job in the NPO, private or public sectors, where would you rather prefer to work?
- H. Have you ever worked in the private or public sector? If yes, how does it differ from the NPO sector?

A biographical questionnaire was also provided which contained demographic information regarding age, gender, race/ethnicity, language, marital status, educational level, job level and tenure.

## **Quantitative Data Analysis**

The quantitative data was statically analysed with the SPSS 22.0 for Windows (IBM, 2013) and Mplus 7.2 (Muthén & Muthén, 2014) programs. Descriptive statistics, which included the mean and standard deviation, were used to test assumptions. The Cronbach alpha coefficient was used to indicate internal consistency or reliability of the scale. Principal Axis Factoring Analysis and Exploratory Factor Analysis were used to determine the factorial validity of the PCQ.

## **Qualitative Data Analysis**

Firstly, interviews were transcribed verbatim. Next, coding was conducted with the assistance of the Atlas.ti 7.1.8 software program (Scientific Software Development, 2014). Open coding was utilised to investigate, compare, conceptualise and categorise the data (Kuckartz, 2014). The researcher read through the interviews, line by line, and provided each response with a code. This method, also known as initial coding, is regarded as suitable for interview transcripts (Charmaz, 2006).

Conceptual codes, which refer to similar phenomena, and in-vivo codes, i.e. actual terms that the participants used (Kuckartz, 2014), were generated. To enhance the credibility of the results, the interviews and codes were also scrutinised by peers acting as independent coders (Shenton, 2004). With their recommendations, codes that were deemed too vague or abstract were refined and renamed.

Next, the data was analysed through thematic analysis. Thematic analysis, according to Braun and Clarke (2006), aims to identify, analyse and report patterns or themes within data. For further exploration, the researcher used existing underlying theories regarding reasons to choose employment at NPOs, and new information from the data to create categories (Kuckartz, 2014).

Themes were identified and categorised with the guideline of the specific pre-determined questions asked during the interviews. The main categories were:

1. Reasons to initially join an NPO;
2. Motivation to work at an NPO;
3. Rewards received from working at an NPO;
4. Meaning in work at an NPO;
5. NPO work perceived as being fulfilling;
6. NPO work viewed as a calling; and
7. Choice between the NPO, Public or Private sectors

The inductive themes were extracted from the entire data set and categorised, using a thematic network. Thematic networks entail the systematic extraction of basic themes (lowest-order premises from text), organising themes (more abstract summative principles), and global themes (super-ordinate, more holistic themes) (Attride-Stirling, 2001). The thematic network was represented by a mind map which furthermore indicated relationships between the categories.

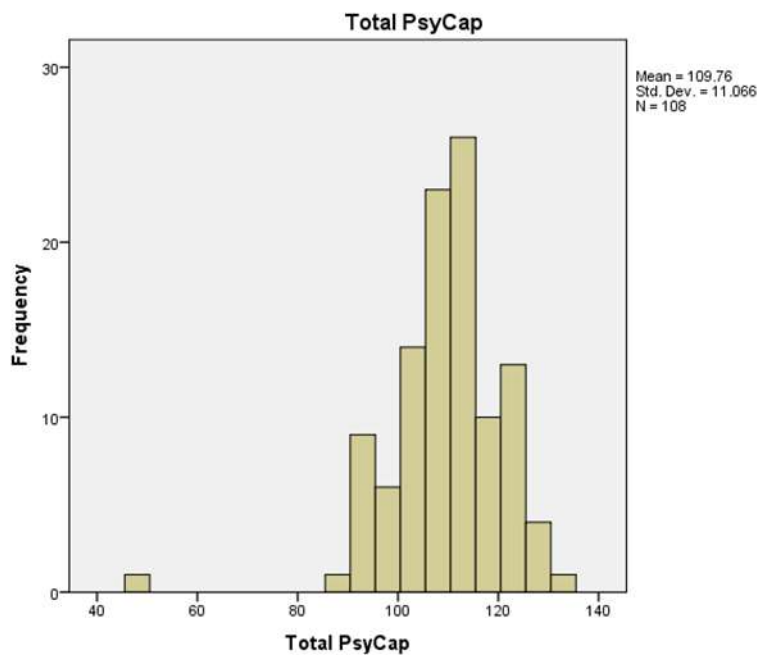
### **Strategies Employed to Ensure Quality Data**

The quality of data was firstly ensured by limiting the sample size of the participants in the qualitative phase until saturation was reached. Increasing the sample might have compromised the detail and depth of the qualitative data (Creswell & Plano Clark, 2007). The criteria of credibility, transferability, dependability, and confirmability (Shenton, 2004) were adhered to in order to further warrant the quality of the quantitative and qualitative research. Credibility was firstly ensured by using an applicable measurement of PsyCap, namely the PCQ. As mentioned earlier, peers acted as independent coders and provided feedback to ensure further credibility. Transferability was obtained by staying within the boundaries of the NPO sector. Describing both the quantitative and qualitative research processes thoroughly enhanced the dependability of the study. Following the explanatory mixed method design by Creswell and Plano Clark (2007), enhanced the confirmability, as this is an accepted type of mixed method.

## RESULTS AND FINDINGS

### Quantitative Results

Figure 1 shows the spread of results in the form of a histogram, clearly indicating that the sample was negatively skewed ( $\text{skewness}_{\text{TotalPsyCap}} = -1.52$ ) with a sharp kurtosis ( $\text{kurtosis}_{\text{TotalPsyCap}} = 7.92$ ). The skewness confirms the expectation of the sample to have a higher overall level of PsyCap. Most of the results were distributed above the median.



*Figure 1:* Distribution of total PsyCap

The sample mean in this study was 109.76 with a standard deviation of 11.07 as indicated in Table 3. The Cronbach's alpha coefficient for Total PsyCap was more than acceptable for this sample (0.83). Further reliability analysis of the sub-scales showed that only self-efficacy and hope were considered reliable (0.79 and 0.80 respectively), while optimism and resilience could not meet the 0.70 cut-off for acceptable reliability. These results are consistent with other studies which also found similar trends (Dawkins et al., 2013; Gørgens-Ekermans & Herbert, 2013).

The reverse scored items in these sub-scales seemed to be problematic, also with regard to reliability. If item 13, a reverse scored item, was removed, the Cronbach's alpha coefficient for the resilience subscale increased to 0.71 and deemed it reliable. In the case of the

optimism subscale, the reliability coefficient escalated to 0.53 when the reverse scored items were removed (items 20 and 23), and even increased further to 0.60 when item 19 (not a reverse score item) was removed. Apart from the reverse scored items that had a tendency to compromise reliability (Marsh, 1996; Schmitt & Stults, 1985), the possible answering pattern, the fact that participation was voluntary, the possible social desirability of answers, and the wording of items might also have played a role. Görgens-Ekermans and Herbert (2013), using a South African sample, suggested that the interpretation of negatively keyed items might be influenced by the language ability of the participants.

Table 3

*Descriptive Statistics for Total PsyCap and Sub-constructs (N = 108)*

	Minimum	Maximum	<i>M</i>	SD	Skewness	Kurtosis	$\alpha$
Total PsyCap	48	131	109.76	11.07	-1.52	7.92	0.83
Self-efficacy	10	36	29.95	3.85	-1.44	5.65	0.79
Hope	12	36	28.56	4.24	-0.73	1.17	0.80
Resilience	12	34	27.58	3.17	-1.16	4.63	0.43
Optimism	14	34	23.67	3.22	0.22	1.30	0.26

SPSS 22 (IBM Corporation, 2014) was used to conduct basic factor analyses. Principal Component Analysis (PCA) identified seven possible factors, according to Eigenvalues larger than 1.00, as indicated in Table 4.

Table 4

*Initial Principal Component Analysis (PCA): Total variance explained*

Component	Initial Eigenvalues			Extraction sums of squared loadings		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
1	7.22	30.09	30.09	7.22	30.09	30.09
2	1.88	7.85	37.93	1.88	7.85	37.93
3	1.69	7.03	44.96	1.69	7.03	44.96
4	1.55	6.44	51.40	1.55	6.44	51.40
5	1.41	5.86	57.26	1.41	5.86	57.26
6	1.17	4.89	62.14	1.17	4.89	62.14
7	1.10	4.57	66.71	1.10	4.57	66.71
8	0.99	4.11	70.83			

This was a different structure than that which was proposed by Luthans, Avolio et al. (2007). After taking problematic items into consideration, a final Principal Axis Factoring (PAF) analysis, as seen in Table 5, showed items loading on four different factors than those originally proposed by the authors. Furthermore, a four-factor model did not converge in an Exploratory Factor Analysis completed in Mplus 7.2 (Muthèn & Muthèn, 2014). Although solutions for factor structures consisting of 1 to 3 factors were obtained, the fit statistics were low and very few items showed significant loadings. In Mplus, the MLR (Maximum Likelihood Robust) estimator was used to take the skewness and kurtosis into account. It was therefore difficult to fit the initial factor model to the present sample. Further exploration of the possible existing factors falls out of the scope of this study, but could warrant further investigation in future research.

Table 5

*Final Principal Axis Factoring (PAF): Factor loadings*

	Factor			
	1	2	3	4
PCQ1	0.60	-0.11	-0.15	-0.05
PCQ2	0.73	-0.03	0.21	-0.01
PCQ3	0.75	-0.08	-0.04	-0.05
PCQ4	0.41	-0.25	-0.16	0.22
PCQ5	0.46	0.13	-0.36	0.06
PCQ6	0.65	0.19	0.11	0.24
PCQ7	0.27	-0.13	-0.20	0.23
PCQ8	0.34	-0.53	0.18	0.10
PCQ9	0.50	-0.08	-0.08	0.10
PCQ10	0.43	-0.42	0.15	0.11
PCQ11	0.30	-0.54	0.04	0.15
PCQ12	0.00	-0.45	0.02	0.35
PCQ13	0.07	0.21	0.26	-0.14
PCQ14	0.24	-0.12	0.00	0.39
PCQ15	0.02	-0.04	-0.15	0.56
PCQ16	-0.04	-0.08	-0.44	0.39
PCQ17	0.25	0.09	0.15	0.66
PCQ18	-0.09	0.02	0.10	0.69
PCQ19	0.07	-0.13	0.35	0.35
PCQ20	-0.10	0.04	0.35	0.03
PCQ21	0.25	-0.66	0.27	0.02
PCQ22	0.35	-0.18	-0.25	0.01
PCQ23	0.17	0.51	0.14	-0.07
PCQ24	0.02	-0.55	-0.10	-0.10

Rotation method: Oblimin with Kaiser normalization.<sup>a</sup>

a. Rotation converged in 18 iterations.

In Mplus, the MLR (Maximum Likelihood Robust) estimator was used to take the skewness and kurtosis into account. It was therefore difficult to fit the initial factor model to the present sample. Further exploration of the possible existing factors falls out of the scope of this study, but could warrant further investigation in future research.

## Qualitative Results

As per the explanatory mixed method design, the qualitative results were emphasised. The themes were categorised according to the themes of the questions. Respondents with higher and lower PsyCap were also placed in separate categories. The number of times a specific theme was repeated in one category is indicated in brackets.

Table 6

*Reasons why Respondents Initially Joined an NPO*

<b>Reasons to join an NPO</b>	
<b>Respondents with Higher PsyCap</b>	<b>Respondents with Lower PsyCap</b>
Interest in working with a specific group (3)	Limited opportunities (4)
Calling (2)	Interest in working with a specific group
Faith-based (2)	Need to make a difference
Need to help others (2)	No choice
Need to make a difference	Accommodate lifestyle
Need to give	
Non-monetary rewards	
Opportunity to perform important work	
Opportunity to serve others	

Reasons for initially joining an NPO indicated different response patterns between the higher PsyCap and lower PsyCap groups. Table 6 shows that the respondents with higher PsyCap predominantly provided reasons related to the type of work that NPOs entail. Most respondents showed an **interest in working with a specific group**, such as children (in a Child and Youth Care Centre, previously known as children’s homes) or older persons (in

residential care for older persons, previously known as old age homes). These opportunities are usually found in residential care institutions in the form of NPOs and are illustrated by the following excerpt from the interview:

*"I was interested in social work in school, but I didn't get the chance to study. Then my husband started working at the children's home and then I applied for the work here. I became interested in the children".*

Two respondents gave **calling** as a reason to join an NPO. This links to the question on calling and will be elaborated on further in the discussion. Participants also made **faith-based** decisions to join an NPO, such as on the grounds of Christianity. Another aspect that was given by two respondents is the **need to help others**. This was indicated in statements such as:

*"I like to help people indirectly"*

*"I did not want to work for money and wanted to give something of myself to help others"*

Other reasons to join an NPO included **need to give, need to make a difference, non-monetary rewards, opportunity to perform important work, and opportunity to serve others**. Most of the respondents with lower PsyCap provided reasons that were not related to NPO work itself. Several of the respondents joined the NPO as there were **limited opportunities**, either in social work or in a small town. They had no specific preference to join an NPO. Two respondents shared positive reasons with the higher PsyCap group, but the rest had **no choice** and one chose the employer as it **accommodated** her **lifestyle** by allowing her to bring her small child to work.

Table 7

*Aspects that Motivate Respondents to Work at an NPO*

<b>Motivation to work at an NPO</b>	
<b>Respondents with Higher PsyCap</b>	<b>Respondents with Lower PsyCap</b>
Colleagues shared values (3)	Need to make a difference (3)
Need to make a difference (2)	Security (2)
Work variety (2)	Structure
Challenge (2)	Opportunity to use skills
Fulfilling needs of others (2)	Non-monetary rewards
Calling	Organisational values
Faith	Motivated by type of people working for
Intrinsic rewards	Positive feedback from colleagues
Reciprocal love	

With regard to motivation to work at an NPO, Table 7 indicates that there was no clear distinction between the two groups. However, upon closer investigation the higher PsyCap responses appeared to be generally linked to intrinsic motivations, while the lower PsyCap group reported more extrinsic motivators, such as security, structure and positive feedback from colleagues.

The strongest motivator in the higher PsyCap group was that their **colleagues have shared values**:

*“The people who I work with...the fact that we share the same goal; to deliver a service and be there for people in need”.*

Similarly, a strong motivator for both groups was the **need to make a difference**:

*“It motivates me every morning when I come to work to know that I’m going to make a difference in someone’s life”.*

**Work variety, challenge, and fulfilling the needs of others** were other prominent motivators in the higher PsyCap group. These are all regarded as intrinsic motivators. The following statements from different participants supported this:

*“I like working here. There is always something new, everything changes and progresses”;*

*“It is a challenge to work with people, because you have to think on your feet in some situations. I like challenges”;* and

*“There are always necessary things that need to be done. You feel that you do something for someone who needs it. There is a need and you can do something about it”.*

**Security** was given as another motivation in the lower PsyCap group. This is considered an extrinsic motivator, as it is provided by the organisation. The following statements were given:

*“It provides security for me, so I want to remain here until I retire”;* and

*“I feel that we are safe in this organisation”.*

Table 8

*Intrinsic and Extrinsic Rewards Received from Working at an NPO*

<b>Rewards received from working at an NPO</b>	
<b>Respondents with Higher PsyCap</b>	<b>Respondents with Lower PsyCap</b>
Intrinsic rewards:	Intrinsic rewards
- Self-development (2)	- Non-monetary rewards (3)
- Satisfy need to give	- Satisfy need to make a difference
- Opportunity to apply creative problem-solving	- Satisfy need to help others
- Opportunity to practice faith	- Challenge
	- Opportunity to apply creative problem-solving
Extrinsic rewards:	Extrinsic rewards
- Growth and development in others	- Positive outcome (3)
- Positive outcome	- Security provided by structure of organisation
- Receive appreciation from others	

As shown in Table 8, responses were categorised in extrinsic and intrinsic rewards. Extrinsic rewards result from an outside source, such as monetary rewards, job security or praise (Linz & Symekina, 2012). Intrinsic rewards are usually non-numeric, not easily measured, and in the form of benefits derived from the work itself (Benz, 2005).

Overall, it was evident that rewards received from working at an NPO were of more intrinsic nature in both higher and lower PsyCap groups. Intrinsic rewards mentioned more frequently were **non-monetary rewards**, and **self-development**.

*“It is definitely not because of the salary”;*

*“You cannot make a living from this job”;* and

*“The environment makes me develop in myself”.*

**Positive outcome** was the extrinsic reward that most participants derived from their work at an NPO.

*“When I see we do something and it works, it is good”;* and

*“To see how people’s lives change for the good with the help I provide them”.*

Table 9

*Meaning Derived from Working at an NPO*

<b>Meaning in work at an NPO</b>	
<b>Respondents with Higher PsyCap</b>	<b>Respondents with Lower PsyCap</b>
Appreciation from others (2)	Positive feedback (2)
Completion of processes (2)	Satisfy need to make a difference (2)
Positive outcomes	Interpersonal relationships with colleagues (2)
Self-development	Being meaningful and understanding to certain group of people (e.g. children, elderly)
Sense of responsibility	Narrative created through helping others
Relationships	Faith
Opportunity to give unconditionally	
Service	
Reciprocal love	

Table 9 indicates that the higher PsyCap participants seemed to find meaning in more aspects in their work than the participants with lower PsyCap. Meaning for the higher PsyCap group was mostly associated with **appreciation from others** and **completion of processes**, with statements such as:

*“There are small appreciations in what is done”;*

*“You see that people appreciate it, that people say thank you”;* and

*“When an investigation has been completed and you see how things fall in place or not”.*

**Positive feedback**, being able to **satisfy the need to a make a difference**, and **interpersonal relationship with colleagues** were provided as essential aspects that provide meaning in the lower PsyCap group.

*“When I helped someone to draft a letter and the feedback is that it was professional, it is good for me”;*

*“When I can make a difference in someone’s life, even though it is a small thing that had an impact on someone”;* and

*“The people who I work with. They are like soundboards to me and I am to them. If I’m in doubt, I can speak to them”.*

Table 10  
*Perceived Work Fulfilment at an NPO*

NPO work perceived as being fulfilling					
Respondents with Higher PsyCap			Respondents with Lower PsyCap		
Yes	No		Yes	No	Difficult to say
(8)	(0)		(1)	(1)	(6)
Reasons:			Reasons:		
- Success stories			- High workload (2)		
- Fulfilling need to help others/ needs of others			- Limited resources		
- Faith			- Draining work		
- Awareness of making a difference			- Unable to see results		
- Bringing hope to people			- Too many negative experiences		
- Ability to see results					
- Identify opportunities to mend					

Although there was a clear distinction between the higher PsyCap and lower PsyCap group with regard to work fulfilment, as seen in Table 10, the respondents in the lower PsyCap group seemed to experience their work as less fulfilling due to external factors. Some of these were indicated as **high workload, limited resources, draining work, unable to see results, and too many negative experiences**. Factors that provided work fulfilment in the higher PsyCap group were **success stories, fulfilling the need to help others/needs of others, faith, awareness of making a difference, bringing hope to people, ability to see results, and identify opportunities to mend**.

Table 11  
*Calling as a Reason to Work at an NPO*

NPO work perceived as a calling				
Respondents with Higher PsyCap		Respondents with Lower PsyCap		
Yes	No	Yes	No	
(8)	(0)	(6)	(2)	

In this regard, it is indicated in Table 11, that all eight participants in the higher PsyCap group viewed their work as a calling; whilst only six participants with lower PsyCap regarded calling as a reason to work at an NPO. The respondents, who answered with certainty that their work is a calling, provided some of the following explanations:

*“I think it cannot be something else. You need a calling, a passion and a sense of giving”;*

*“Definitely. When I walked in here, I saw that this is not a job, it is a ministry”;* and

*“Absolutely. I do not receive a great salary, but it was a choice. Money cannot buy what I now experience. It was a choice”.*

Some of the more negative affirmative responses with regard to calling included:

*“I would not like to see it as a calling, but when I see how long I’ve been in this position, then it must be a calling”;* and

*“It has to be a calling, because not many people will do it”.*

One respondent regarded it as a calling once, but currently was less certain:

*“I always thought so, but at this stage I’m not sure so anymore. There are too many frustrations, so I’m not sure if it is a calling”*

Table 12

*Choice Between Working in the NPO, Public and Private Sector*

Choice between NPO, public or private sector						
Respondents with Higher PsyCap				Respondents with Lower PsyCap		
NPO	Public	Private	Non-specific	NPO	Public	Private
(5)	(1)	(1)	(1)	(4)	(0)	(4)

Table 10 demonstrates that most respondents with higher PsyCap would choose working at an NPO above the public or private sectors. The responses in the lower PsyCap group were equally divided between employment in the NPO and private sectors. Differences identified between the NPO and public sectors were related to autonomy and bureaucratic aspects,

*“[In the public sector] there is too much red tape. In the NPO there is more freedom to be creative”;*

involvement,

*“In the NPO, you have more freedom and you work within the community. The public sector is not as involved in the community”;*

and focus:

*“[the public sector] was not focussed on goals and results, but it was more focussed on the processes”.*

Using the themes that emanated from the data, one can create an overview of reasons for employees preferring to work at an NPO by using a thematic network (Attride-Stirling, 2001).

Themes were ordered in basic themes, organising themes, and the global theme. As displayed in Figure 2, the basic themes were taken from the themes that had already been discussed, then they were categorised in the following organising themes: altruism, reward, job satisfaction, organisational factors, positive social influence, and calling. These organising themes all related to the global theme, namely the reasons for employees preferring to work at an NPO. The choice of the specific organising themes is explained by looking further into the meaning of the concepts.



Figure 2. Thematic network of reasons for employees to work at an NPO

Altruism is regarded as a motivational state and is defined as an orientation to the other, with the goal of benefiting the well-being of another (Batson, Ahmad, & Lishner, 2009). It focuses on the welfare of other people through prosocial and helping behaviours (Burks & Youll, 2012). The basic themes that belonged to this category, all related to a giving or serving orientation. They were the need to give, need to help others, servitude, fulfilling needs of others, and bringing hope to others.

Rewards can be extrinsic or intrinsic. The basic themes that fit with reward were already listed before in Table 6. Extrinsic and intrinsic rewards are linked to job satisfaction (Linz & Symekina, 2012).

Job satisfaction is seen as the awareness of how well one's employment provides subjectively important things to a person (Luthans, 2008), including aspects of the work itself, namely remuneration, promotions, supervision, work team and working environment. In this study, aspects that are regarded as contributors to job satisfaction are mostly related to the work itself, namely fulfilment, challenge, utilising skills, self-development and work variety.

Organisational factors consider factors that were specific to the organisation that the participants belong to, and not necessarily NPOs in general. These included structure and

security that the organisation provides, autonomy, values of the organisation and colleagues. This theme also shares characteristics with job satisfaction, as it relates to the working conditions and work group.

Positive social influence was chosen as the organising theme for themes that related to community betterment and making a positive social change in society. The themes related to positive social influence were the need to make a difference, growth and development in others, positive outcomes/success stories, opportunity to perform important work, and opportunity to mend. Individuals who choose to positively influence society can be regarded as agents of social change.

Calling is defined as a summons from an external force beyond the self to a specific career where one can express one's meaning and purpose in life, through motivation by the needs of others (Duffy, Dik, & Steger, 2010). Calling is therefore associated with the themes related to faith and meaning. Calling is also associated with altruism (Hirschi, 2011; Hunter, Dik, & Banning, 2010).

The basic theme that was mentioned most frequently (11 times), was the **need to make a difference**. It therefore shows that having positive social influence is an important reason to work at an NPO.

Demographic differences in responses were not considered for the purpose of this study. Avey (2014) found that demographic variables were of little significance when compared to the strong prediction that individual differences, leadership and job characteristics had on the prediction of PsyCap.

## Discussion

This study investigated and explained the reasons why employees choose to work and remain at NPOs by describing the PsyCap of NPO employees. PsyCap is defined as a combination of self-efficacy, optimism, hope and resilience (Luthans, Youssef, & Avolio, 2007). The NPO sector in South Africa is expanding at a rapid pace. NPOs in the South African context is understood as an organisation which has a public purpose of which income is not shared with its members other than payment for services rendered (Department of Social Development,

1997). NPOs are under more pressure to act more like for-profit organisations. Due to the limited resources, it becomes increasingly difficult for NPOs to cope with high turnover of staff or expenditure on recruitment. With this in mind, it was necessary to explore reasons why employees choose an NPO as employer and remained employed by the NPO.

The results showed a higher overall level of PsyCap among employees at an NPO. This may indicate that people who choose to work and remain at NPOs generally have higher levels of PsyCap. These results could not be confirmed in literature, as the only studies that measured PsyCap in NPO populations reported on other variables, such as non-work variables (Firestone, 2010) and leadership (McMurray, Pirola-Merlo, Sarros, & Islam, 2010), and not the overall PsyCap.

The questionnaire used to determine PsyCap was valid and reliable with regard to overall PsyCap. Further reliability analysis corroborated with other studies, which found self-efficacy and hope to be reliable, but not optimism and resilience (Dawkins et al., 2013; Gørgens-Ekermans & Herbert, 2013). Principal component analysis, principal axis factoring and exploratory factor analysis could not confirm a similar four-factor model as originally proposed by the authors (Luthans, Avolio et al., 2007).

It was found that employees differed in their preference to work for an NPO, according to their levels of PsyCap; specifically pertaining to their reasons to join an NPO, intrinsic and extrinsic motivation, meaning in work, work fulfilment and perceiving their work as a calling. These findings were similar to Benz (2005), who indicated that NPOs would attract employees looking to derive intrinsic benefits from work. An explanation for the above may be that employees with higher PsyCap hold more intrinsic reasons to work at an NPO than those with lower PsyCap. It seemed that some employees with lower PsyCap developed intrinsic reasons over time, even though their initial decision to join the NPO did not stem from an intrinsic motivation.

No clear distinctions were drawn between individuals with higher and lower PsyCap with regard to rewards. It appears the type of reward (intrinsic or extrinsic) is not associated with higher or lower PsyCap.

Individuals with higher and lower PsyCap further did not differ in their choice of working in the NPO, public or private sectors. The overall consensus was that the NPO sector is most preferred, while the public sector was the least preferred sector to be employed within. The sense of autonomy in NPOs was in line with higher decision-making control in non-profit as opposed to for-profit sectors (Ben-Ner & Ren, 2010). The state of the public sector in South Africa might have had an influence on their preference, as it is characterised by dysfunctional practices such as corruption, poor service delivery and ineffective financial planning (Mafini & Poee, 2013). A study determining job satisfaction amongst employees in the public sector found that employees are least satisfied with their working conditions (Mafini, 2014).

The main reasons that influence the decision for employees to work at an NPO were altruism, reward, job satisfaction, positive social influence, organisational factors and calling. This was in line with previous research that identified altruism (Benz, 2005; Schepers et al., 2005), intrinsic rewards (Benz, 2005; Flannigan, 2010; Mize Smith et al., 2006; Schepers et al., 2005; Wilson & Larson, 2002), job satisfaction (Benz, 2005), and calling (Bassous, 2010; Flannigan, 2010; Mize Smith et al., 2006) as reasons for people preferring to work in the NPO sector.

It appears that altruism was a prominent reason that emerged from this study, which is confirmed by the view that NPOs attract altruistic individuals (Benz, 2005). Altruism can be associated with prosocial behaviour; both being voluntary actions carried out to benefit others (Caprara, Alessandri, & Eisenberg, 2012). Prosocial behaviour also indicates an important link to PsyCap, as it has been associated with self-efficacy by Caprara et al. (2012). An explanation for this may be that people choosing to work at NPOs already have an altruistic or prosocial disposition and would seek employment or work environments where they can express these values.

In this study, responses related to intrinsic rewards exceeded extrinsic rewards. People join NPOs with the knowledge that they sacrifice extrinsic rewards for intrinsic rewards (Benz, 2005; Flannigan, 2010; Mize Smith et al., 2006; Schepers et al., 2005; Wilson & Larson, 2002). Having intrinsic rewards also provides them with more job satisfaction. Strong evidence was found of NPO employees experiencing satisfaction in their work (Benz, 2005). Another explanation could be that NPOs offer more intrinsic than extrinsic rewards. The natural result would be that employees at NPOs receive more intrinsic than extrinsic rewards

in their work. The inclination towards intrinsic rewards can be supported by the self-perception theory, where people attribute their behaviour to intrinsic motivation when they are not likely to receive external rewards from performing tasks (Bem, 1967).

Viewing employment at an NPO as a calling, as was found in this study, is congruent with previous research (Bassous, 2010; Flannigan, 2010; Mize Smith et al., 2006). The “calling model of psychological success”, as proposed by Hall and Chandler (2005), suggests that calling can provide the necessary self-confidence and resilience towards reaching a career objective. The self-confidence referred to in this study is similar to self-efficacy. This exemplifies a link between calling, self-efficacy and resilience.

A prominent finding in this study is the reason that employees at NPOs have a “need to make a difference”. The impact that NPO employees have on society takes a long time to manifest and it can be discouraging when no results are seen. However, NPO employees still feel that they want to have a positive and lasting social influence, illustrated by the “need to make a difference”. NPO employees, especially those in the social services, are in the position to address the needs of society for the better. PsyCap can add value to positive social influence. Optimism and hope support the positive and future-oriented view that an impact will be made. Self-efficacy provides the tools to be confident that they will be able to make the difference. Resilience assists with recovering and gaining strength after setbacks.

Specific organisational factors that influence the decision of an employee to join an NPO can be associated with the organisation where they are currently employed and not necessarily associated with all NPOs in general. These factors therefore relate to the management style, the organisational structures, values of the organisation and overall culture of the organisation. However, it is seen that managers with high PsyCap can have a positive impact on the rest of the organisation (Hodges, 2010). One can foresee that an NPO with overall low PsyCap throughout the organisation may have a negative influence in several facets; not attracting individuals who are looking for intrinsic rewards, meaning, or job satisfaction.

In general, reasons to work at an NPO indicated that choosing to work at an NPO is essentially a purposeful decision by the employee. However, while being employed at the NPO, employees need PsyCap to cope with the demands of the NPO environment. It is apparent from the literature review that NPOs in South Africa are subject to various and

frequent changes in regulations by Government. It is therefore reasonable to state that employees of NPOs require PsyCap, such as resilience to adapt to these changes.

In work environments, such as NPOs where challenges are rife, PsyCap acts as a buffer for these various difficulties (Newman et al., 2014). In times of turmoil or change, the value of PsyCap in employees cannot be underestimated (Du Plessis & Barkhuizen, 2012). PsyCap therefore serves as a valuable tool for managers at NPOs to be able to identify factors that can contribute to understanding the organisational dynamics and human resource complexities.

The application of the findings of this study may therefore contribute to the creation and development of “positive NPOs”, to recruit and maintain positive employees in NPOs and to ensure sustainability.

### **Limitations and Recommendations**

A limitation to this study was that it incorporated a self-report questionnaire which is often associated with social desirability and response biases. This might have influenced the internal validity. Although the measurement was reliable, the initial four-factor model of the PCQ could not fit the sample. This study furthermore used small sample sizes and only focused on an NPO in the social sector. The generalisability of the results might not be applicable for employees in all types of NPOs, such as those operating in education, the arts or the environment.

Managers of NPOs can make better decisions when recruiting and selecting employees when they bear in mind the level of PsyCap among NPO employees, the differences between higher and lower PsyCap, as well as their reasons to work for an NPO. A benefit of PsyCap is that it can be developed through mini-interventions (Hodges, 2010; Luthans, Avey, Avolio, Norman, & Combs, 2006; Luthans, Avey, Avolio, & Peterson, 2010; Luthans, Youssef, & Avolio, 2007; Peterson & Spiker, 2005). Mini-interventions can therefore be facilitated at NPOs to improve the PsyCap of existing employees in order to retain them and manage their overall well-being.

NPOs can also benefit from having an awareness of the reasons why employees want to work in this sector, as this will attract the right individual who will remain with the NPO. This may

in turn have a return on investment (Luthans et al., 2006), as high staff turnover or unnecessary spending on recruitment will be minimised.

Future research on PsyCap in the NPO sector can focus on tenure of employees. It would be astute to study the level of PsyCap of employees resigning from NPOs. Their reasons for leaving could be investigated and linked to the antecedents of PsyCap. It is clear that the NPO sector is an uncharted domain for research on employee well-being and positive psychology. Future studies with PsyCap and the variables identified as reasons would therefore be warranted to contribute to research in the growing NPO sector.

## References

- Ahmad, M. M. (2002). Who cares? The personal and professional problems of NGO fieldworkers in Bangladesh. *Development in Practice, 12*, 177–191.
- Arend, E. D. (2008). Wellness programme and health policy development at a large faith-based organisation in Khayelitsha, South Africa. *African Journal of AIDS Research, 7*, 259–270.
- Attride-Stirling, J. (2001). Thematic networks: An analytic tool for qualitative research. *Qualitative Research, 1*, 385–405.
- Avey, J. B. (2014). The left side of psychological capital: New evidence on the antecedents of PsyCap. *Journal of Leadership & Organizational Studies, 21*, 141–149.
- Avey, J. B., Luthans, F., & Jensen, S. M. (2009). Psychological capital: A positive resource for combating employee stress and turnover. *Human Resources Management, 48*, 677–693. doi: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*, 17–28.
- Avey, J. B., Nimnicht, J. L., & Pigeon, N. G. (2010). Two field studies examining the association between positive psychological capital and employee performance. *Leadership & Organization Development Journal, 31*, 384–401.
- Avey, J. B., Patera, J. L., & West, B. J. (2006). The implications of positive psychological capital on employee absenteeism. *Journal of Leadership & Organizational Studies, 13*(2), 42–60. doi:10.1177/10717919070130020401
- 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 Resources Development Quarterly, 22*, 127–152. doi:10.1002/hrdq.20070
- Bandura, A. (1977). Self-efficacy: Toward a unifying theory of behavioral change. *Psychological Review, 84*, 191–215.
- Bandura, A. (1982). Self-efficacy mechanism in human agency. *American Psychologist, 37*, 122–147.
- Barnes, B. R. (2012). Using mixed methods in South African psychological research. *South African Journal of Psychology, 42*, 463–475.

- Bassous, M. (2010). *Factors that affect worker motivation in faith-based nonprofit organizations: A mixed methodology study* (Doctoral dissertation). Available from ProQuest Dissertations and Theses database. (UMI No. 3405499)
- Batson, C. D., Ahmad, N., & Lishner, D. A. (2009). Empathy and altruism. In S. J. Lopez & C. R. Snyder (Eds.), *Oxford handbook of positive psychology* (2nd ed., pp. 417–426). New York, NY: Oxford University Press.
- Bem, D. J. (1967). Self-perception: The dependent variable of human performance. *Organizational Behavior and Human Performance*, 2, 105–121.
- Ben-Ner, A., & Ren, T. (2010). A comparative study of allocation of decision-making across stakeholder groups: The case of personal care industries. *Annals of Public and Cooperative Economics*, 81, 611–630.
- Benz, M. (2005). Not for the profit, but for the satisfaction? – Evidence on worker well-being in non-profit firms. *Kyklos*, 58, 155–176.
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research Psychology*, 3, 77–101.
- Burks, D. J., & Youll, L. K. (2012). The empathy-altruism association and its relevance to health care professions. *Social Behavior and Personality*, 40, 395–400.
- Caprara, G., Alessandri, G., & Eisenberg, N. (2012). Prosociality: The contribution of traits, values, and self-efficacy beliefs. *Journal of Personality and Social Psychology*, 102, 1289–1303. doi:10.1037/a0025626
- Charmaz, K. (2006). *Constructing grounded theory: A practical guide through qualitative analysis*. Thousand Oaks, CA: Sage.
- Creswell, J. W., & Plano Clark, V. L. (2007). *Designing and conducting mixed methods research*. Thousand Oaks, CA: Sage.
- Culbertson, S. S., Fullager, C. J., & Mills, M. J. (2010). Feeling good and doing great: The relationship between psychological capital and well-being. *Journal of Occupational Health Psychology*, 15, 421–433. doi:10.1037/a0020720
- Dart, R. (2004). Being “business-like” in a nonprofit organization: A grounded and inductive typology. *Nonprofit and Voluntary Sector Quarterly*, 23, 290–310.
- Dawkins, S., Martin, A., Scott, J., & Sanderson, K. (2013). Building on the positives: A psychometric review and critical analysis of the construct of psychological capital. *Journal of Occupational and Organizational Psychology*, 86, 348–370.

- Department of Social Development. (2005) Assessment of NPO Act. Pretoria, South Africa: Author.
- Department of Social Development (2009). Developing good governance practices within the South African NPO sector: Benchmark study report. Pretoria, South Africa: Author.
- Department of Social Development. (2011). 2010/11 State of South African registered nonprofit organisations issued in terms of the Nonprofit Organisations Act 71 of 1997. Pretoria, South Africa: Author.
- De Waal, J. J., & Pienaar, J. (2013). Towards understanding causality between work engagement and psychological capital. *SA Journal of Industrial Psychology*, 39(2), 10 pages. doi:10.4102/sajip.v39i2.1113
- Dhunpath, R. (2003). It's all business like now: The corporatisation and professionalisation of NGOs in South Africa. *International Journal of Knowledge, Culture and Change Management*, 3, 1109–1124.
- Duffy, R. D., Dik, B. J., & Steger, M. F. (2011). Calling and work-related outcomes: Career commitment as a mediator. *Journal of Vocational Behavior*, 78, 210–218.
- Du Plessis, Y., & Barkhuizen, N. (2012). Psychological capital, a requisite for organisational performance in South Africa. *South African Journal of Economics and Management Sciences*, 15, 16–30.
- Firestone, D. J. (2010). *Measuring psychological capital in non-profit social service organizations* (Master's thesis). Available from ProQuest Dissertations and Theses database. (UMI No. 1476790)
- Flannigan, S. T. (2010). Factors influencing nonprofit career choice in faith-based and secular NGOs in three developing countries. *Nonprofit Management & Leadership*, 21, 59–75.
- Görgens-Ekermans, G., & Herbert, M. (2013). Psychological capital: Internal and external validity of the Psychological Capital Questionnaire (PCQ-24) on a South African sample. *SA Journal of Industrial Psychology*, 39(2), Art. #1131, 12 pages. <http://dx.doi.org/10.4102/sajip.v39i2.1131>
- Goulet, L. R., & Frank, M. L. (2002). Organizational commitment across three sectors: Public, non-profit, and for-profit. *Public Personnel Management*, 31, 201–210.
- Guba, E. G., & Lincoln, Y. S. (2005). Paradigmatic controversies, contradictions, and emerging influences. In N. K. Denzin & Y. S. Lincoln (Eds.), *The Sage handbook of qualitative research* (pp. 191-215). Thousand Oaks, CA: Sage.

- Hall, D. T., & Chandler, D. E. (2005). Psychological success: When the career is a calling. *Journal of Organizational Behavior*, 26, 155–176.
- Hirschi, A. (2011). Callings in career: A typological approach to essential and optional components. *Journal of Vocational Behavior*, 79, 60–73.
- Hodges, T. D. (2010). *An experimental study of the impact of psychological capital on performance, engagement, and the contagion effect* (Doctoral dissertation). Retrieved from <http://digitalcommons.unl.edu/businessdiss/7>
- Holtzhausen, L. (2014). Non-profit organizations bridging the communication divide in a complex South Africa. *Public Relations Review*, 40, 286–293.
- Hunter, I., Dik, B. J., & Banning, J. H. (2010). College students' perceptions of calling in work and life: A qualitative analysis. *Journal of Vocational Behavior*, 76, 178–186.
- IBM Corp. Released 2013. *IBM SPSS Statistics for Windows, Version 22.0*. Armonk, NY: IBM Corp.
- Kuckartz, U. (2014). *Qualitative text analysis*. London, United Kingdom: Sage.
- Linz, S. J., & Symekina, A. (2012). What makes workers happy? Anticipated rewards and job satisfaction. *Industrial Relations*, 54, 811–844.
- Luthans, F. (2002). The need for and meaning of positive organizational behaviour. *Journal of Organizational Behavior*, 23, 695–706.
- Luthans, F. (2008). *Organizational behavior*. New York, NY: McGraw-Hill.
- Luthans, F., Avey, J. B., Avolio, B. J., Norman, S. M., & Combs, G. M. (2006). Psychological capital development: Towards a micro-intervention. *Journal of Organizational Behaviour*, 27, 387–393. doi:10.1002/job.373
- Luthans, F., Avey, J. B., Avolio, B. J., & Peterson, S. J. (2010). The development and resulting performance impact of positive psychological capital. *Human Resource Development Quarterly*, 21, 41–67. doi:10.1002/hrdq.20034
- Luthans, F., & Avolio, B. J. (2009). The “point” of positive organizational behaviour. *Journal of Organizational Behavior*, 30, 291–307. doi:10.1002/job.589
- 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, 541–572.
- Luthans, F., Norman, S. M., Avolio, B. J., & Avey J. B. (2008). The mediating role of psychological capital in the supportive organizational climate-employee performance relationship. *Journal of Organizational Behavior*, 29, 219–238. doi:10.1002/job.507

- Luthans, F., & Youssef, C. M. (2007). Emerging positive organisational behaviour. *Journal of Management*, *33*, 321–349.
- Luthans, F., Youssef, C. M., & Avolio, B. J. (2007). *Psychological capital: Developing the human competitive edge*. Oxford, United Kingdom: Oxford University Press.
- Mafini, C. (2014). Factors influencing job satisfaction among public sector employees: An empirical exploration. *South African Journal of Labour Relations*, *38*, 116–135.
- Mafini, C., & Poee, D. R. I. (2013). The relationship between employee satisfaction and organisational performance: Evidence from a South African government department. *SA Journal of Industrial Psychology*, *39*(1) 9 pages. doi:10.4102/sajip.v39i1.1090
- Mann, G. A. (2006). A motive to serve: Public service motivation in human resource management and the role of PSM in the nonprofit sector. *Public Personnel Management*, *35*, 33–48.
- Marsh, H.W. (1996). Positive and negative global self-esteem: A substantively meaningful distinction or artefacts? *Journal of Personality and Social Psychology*, *70*, 810–819.
- Mason, M. (2010). Sample size and saturation in PhD studies using qualitative interviews. *Forum: Qualitative Social Research*, *11*(3), 1-19.
- Masten, A. S. (2001). Ordinary magic: Resilience process in development. *American Psychologist*, *56*, 227–238.
- McDermott, A. M., Heffernan, M., & Beynon, M. J. (2013). When the nature of employment matters in the employment relationship: A cluster analysis of psychological contracts and organizational commitment in the non-profit sector. *The International Journal of Human Resource Management*, *24*, 1490–1518.
- McMurray, A. J., Pirola-Merlo, A., Sarros, J. C., & Islam, M. M. (2010). Leadership, climate, psychological capital, commitment, and well-being in a non-profit organization. *Leadership & Organization Development Journal*, *31*, 436–457. doi:10.1108/01437731011056452
- Michel, J. (2012). The challenges experienced by non-governmental organisations with regards to the roll-out of antiretroviral drugs in Kwazulu-Natal (Master's dissertation). University of South Africa. Retrieved from <http://uir.unisa.ac.za/>
- Mize Smith, J., Arendt, C., Lahman, J. B., Settle, G., & Duff, A. (2006). Framing the work of art: Spirituality and career discourse in the nonprofit arts sector. *Communication Studies*, *57*, 25–46.

- Muthén, L. K., & Muthén, B. O. (2014). *Mplus user's guide* (7th ed.). Los Angeles, CA: Muthén & Muthén.
- Newman, A., Ucbasaran, D., Zhu, F., & Hirst, G. (2014). Psychological capital: A review and synthesis. *Journal of Organizational Behavior*, *35*, 120–138. doi:10.1002/job.1916
- Nomological. (2014). In *Oxford dictionaries*. Retrieved from <http://www.oxforddictionaries.com/definition/english/nomological>
- NPO register (n.d.) Retrieved from Department of Social Development website, <http://www.npo.gov.za/> on October 1, 2014.
- Peterson, S. J., Luthans, F., Avolio, B. J., Walumbwa, F. O., & Zhang, Z. (2011). Psychological capital and employee performance: A latent growth modeling approach. *Personnel Psychology*, *64*, 427–450.
- Peterson, S. J., & Spiker, B. K. (2005). Establishing the positive contributory value of older workers: A positive psychology perspective. *Organizational Dynamics*, *34*, 153–167.
- Ridder, H. G., & McCandless, A. (2010). Influences on the architecture of human resource management in nonprofit organizations: An analytical framework. *Nonprofit and Voluntary Sector Quarterly*, *39*, 124–141. doi:10.1177/0899764008328182
- Rosenthal, R. (2012). *The independent code of governance for non-profit organisations in South Africa*. Cape Town, South Africa: The Working Group.
- Salamon, L. M., Sokolowski, S. W., & Geller, S. L. (2012). Holding the fort: Nonprofit employment during a decade of turmoil. *Nonprofit Employment Bulletin*, *39*, 1–16.
- Scheier, M. F., & Carver, C. S. (1985). Optimism, coping, and health: Assessment and implications of generalized outcome expectancies. *Health Psychology*, *4*, 219–247.
- Schepers, C., De Gieter, S., Pepermans, R., Du Bois, C., Caers, R., & Jegers, M. (2005). How are employees of the nonprofit sector motivated? A research need. *Nonprofit Management & Leadership*, *16*, 191–208.
- Schmitt, N., & Stults, D. M. (1985). Factors defined by negatively keyed items: The result of careless respondents? *Applied Psychological Measurement*, *9*, 367–373.
- Scientific Software Development (Germany). (1997). *Scientific Software Development's ATLAS.ti: The knowledge workbench: Short user's manual*. Berlin, Germany: Scientific Software Development.
- Seligman, M. E. P. (1998). *Learned optimism*. New York, NY: Free Press.
- Shenton, A. K. (2004). Strategies for ensuring trustworthiness in qualitative research projects. *Education for Information*, *22*, 63–75.

- Simons, J. C., & Buitendach, J. H. (2013). Psychological capital, work engagement and organisational commitment amongst call centre employees in South Africa. *SA Journal of Industrial Psychology*, 39(2), 12 pages. doi:10.4102/sajip.v39i2.1071
- Snyder, C. R. (1995). Conceptualising, measuring, and nurturing hope. *Journal of Counseling and Development*, 73, 355–360.
- South Africa. Department of Justice (1988). Trust Property Control Act, 57 of 1988. (Government Gazette 15061 Notice R 1540, 3 December 1997). Pretoria, South Africa: Government Printer.
- South Africa. Department of Social Development (1997). Nonprofit Organisations Act, 71 of 1997. (Government Gazette 18487, Notice 1627, 3 December 1997). Pretoria, South Africa: Government Printer.
- South Africa. Department of Trade and Industry (2011). Companies Act 71 of 2008. Companies Regulations 2011 (Government Gazette 34239, Notice R 351, 20 April 2011). Pretoria, South Africa: Government Printer.
- Stajkovic, A. D., & Luthans, F. (1998). Social cognitive theory and self-efficacy: Going beyond traditional behavioural and motivational approaches. *Organizational Dynamics*, 26, 62–74.
- Sweetman, D., Luthans, F., Avey, J. B., & Luthans, B. C. (2011). Relationship between positive psychological capital and creative performance. *Canadian Journal of Administrative Sciences*, 28, 4–13. doi:10.1002/CJAS.175
- Tong, E. M. W., Fredrickson, B. L., Chang, W., & Lim, Z. X. (2010). Re-examining hope: The roles of agency thinking and pathways thinking. *Cognition and Emotion*, 24, 1207–1215.
- Vasan, S. (2004). NGOs as employers: Need for accountability. *Economic and Political Weekly*, 39, 2197–2198.
- Vecina, M. L., Chacón, F., Marzana, D. and Marta, E. (2013). Volunteer engagement and organizational commitment in nonprofit organizations: What makes volunteers remain within organizations and feel happy? *Journal of Community Psychology*, 41, 291–302. doi:10.1002/jcop.21530
- Wagner, C., Kawulich, B. B., & Garner, M. (Eds.). (2012). *Doing social research: A global context*. London, UK: McGraw-Hill Higher Education.
- Wagnild, G. M., & Young, H. M. (1993). Development and psychometric evaluation of the resiliency scale. *Journal of Nursing Management*, 1, 165–178.

- Wilson, M. I., & Larson, R. S. (2002). Nonprofit management students: Who they are and why they enrol. *Nonprofit and Voluntary Sector Quarterly*, *31*, 259–270. doi:10.1177/08964002031002005
- Youssef, C. M., & Luthans, F. (2010). An integrated model of psychological capital in the workplace. In P. A. Linley, S. Harrington, & N. Garcia (Eds.), *Oxford handbook of positive psychology and work* (pp. 277–288). New York, NY: Oxford University Press.
- Youssef, C. M., & Luthans, F. (2012). Psychological capital: Meaning, findings, and future directions. In K. S. Cameron, & G. M. Spreitzer (Eds.), *The Oxford handbook of positive organizational scholarship* (pp. 17–27). New York, NY: Oxford University Press.

## CHAPTER 3

### CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

The purpose of this chapter was to provide conclusions, limitations and recommendations for the study. Conclusions are firstly drawn according to specific research objectives set at the start of the study. Limitations to this study are highlighted and acknowledged. Lastly, recommendations with regard to NPOs as well as future research are postulated.

#### 3.1 CONCLUSIONS

The general objective of this study was to investigate the reasons why people choose and remain at an NPO as employer, by exploring the PsyCap of employees working for an NPO.

*The first objective of this study was to conceptualise PsyCap in literature.*

**PsyCap** has been conceptualised in literature as originating from as far back as the domain of positive organisational scholarship (POS). POS entails the study of dynamics of positive processes, outcomes and characteristics of organisations as a whole (Cameron, Dutton, & Quinn, 2003), and includes phenomena such as flourishing and virtuousness of its members. Positive organisational behaviour (POB) emerged from POS as a study field which is more concerned with the human resource strengths and psychological capacities of the individual in the organisation than the organisation as a whole (Luthans, 2002). PsyCap was developed from POS as a combination of four of these individual strengths, namely *self-efficacy, optimism, hope and resilience* (Luthans & Youssef, 2007). Self-efficacy is described as a self-belief and confidence to perform a task and succeed in mastering it (Luthans, Youssef, & Avolio, 2007). Optimism is defined as the future belief or orientation that one would be successful or that the future holds favourable outcomes (Luthans, Youssef et al., 2007; Scheier and Carver, 1985). Hope is conceptualised as having the determination (or agency) and pathways to achieve one's goals (Luthans, Youssef et al., 2007). Resilience is the capacity to bounce back from challenges, hardships or failures and even accomplish positive outcomes (Luthans, 2002; Luthans et al., 2007).

*The second objective of this study was to determine the level of PsyCap among employees at an NPO.*

Results indicated that employees at an NPO have an overall higher level of PsyCap. Although no literature was found to support this, inferences can be made. Given the proof that PsyCap is related to human happiness, flourishing, thriving, and employee well-being (Avey, Luthans, Smith, & Palmer, 2010; Culbertson, Fullager, & Mills, 2010), it should follow that having a higher PsyCap in the NPO sector can assist in dealing with diverse and challenging circumstances on a daily basis. Higher levels of PsyCap in an organisation with a supportive climate also contribute to performance, satisfaction and commitment (Luthans, Norman, Avolio, & Avey, 2008).

*The third objective of this study was to investigate whether employees with higher and lower levels of PsyCap differ in their preference of choosing an NPO as employer.*

Differences between employees with higher and lower PsyCap were indicated in their reasons for joining an NPO, motivation to work for an NPO, the meaning they derive from working at NPOs, their work fulfilment and viewing their work at the NPO as a calling. No clear differences were found between individuals with lower and higher PsyCap with regard to rewards and the choice of working in the NPO, public and private sectors.

The reasons for participants with higher PsyCap to join the NPO were more related to the characteristics of the NPO itself. A predominant reason for joining an NPO was an interest in working with specific groups, such as children or adults. People working with these groups usually work at child and youth care centres or at residential care facilities for older persons, and present a kind of passion to work with these specific groups. Another study found that people who choose to become and remain residential child care workers are personally and ideologically dedicated to helping children (Moses, 2000). Faith also played a role in their choice to work for an NPO. Religious motivations to follow a career in the non-profit sector were found to be similar across several religions, including Christian, Buddhist Sunni Muslim and Shiite Muslim (Flannigan, 2010).

The need to help others as a reason for joining an NPO can be associated with prosocial behaviour, i.e. voluntary actions carried out to benefit others, (Caprara, Alessandri, &

Eisenberg, 2012). Prosocial behaviour also indicates an important link with PsyCap as it has been associated with self-efficacy (Caprara et al., 2012).

Intrinsic motivation in employees with higher PsyCap is in line with findings from other studies (Sui, Bakker, & Jiang, 2013). Intrinsic motivation is prevalent in employees in the NPO sector (Schepers et al., 2005). Employees with lower PsyCap are moreover motivated by extrinsic factors, such as job security. Extrinsic motivation is not always sustainable and may be related to the environment. A higher level of employment uncertainty causes lower levels of PsyCap (Epitropaki, 2013). Little intrinsic motivation was seen in the fact that employees with lower PsyCap mostly joined an NPO due to limited work opportunities.

A desire for self-fulfilment influences motivation for non-profit employees in social services (Borzaga & Tortia, 2006). Reasons for little or no work fulfilment (e.g. high workload, limited resources) are similar to the obstacles and frustrations that NPOs encounter on a daily basis (Kosny & Eakin, 2008). A lower level in resilience could therefore mean that a person is less able to bounce back from adversities and in the end experiences less fulfilment.

*The fourth objective was to determine the reasons for employees preferring to work at an NPO.*

Altruism, reward, job satisfaction, organisational factors, positive social influence and calling were the main reasons employees preferred to work at an NPO. This shows that more positive capacities within individuals influence their choice in where they want to work. One can furthermore deduce that the decision made by the employee to work for an NPO is intentional towards experiencing more intrinsic and positive attributes in the workplace.

This study indicates that NPOs are reliant on employing people with higher levels of PsyCap and with more intrinsic reasons to choose an NPO as employer. By employing individuals with a more positive well-being overall can influence the sustainability of the NPO.

## **3.2 LIMITATIONS**

It is important to note that this study was not without limitations. Firstly, the PsyCap questionnaire is a self-report measure, which may have influenced the internal validity through social desirability of the answers. It also contained reversed scored items which may have compromised reliability (Marsh, 1996; Schmitt & Stults, 1985), not only as it may have interrupted the pattern of answering, but also may have influenced the interpretation of participants whose first language is not English. Another limitation with the PCQ is the fact that a four-factor PsyCap model could not be confirmed through various statistical methods.

The sample size was relatively small if one considers the large number of registered NPOs in South Africa. The study only focused on an NPO in the social services sector; therefore generalisability to other NPO sectors should be conducted with caution. As it was a voluntary study, the more enthusiastic or positive participants participated in the study which might have resulted in possible bias.

Furthermore, the intention of the exploratory method was not to test for causal relationships between PsyCap and reasons to work for an NPO. Therefore, no inferences could be made as to what extent the level of PsyCap influenced any of the other constructs.

## **3.3 RECOMMENDATIONS**

Based on the findings of this study, various recommendations can be made for the organisation and future research.

### **3.3.1 Recommendations for the Organisation**

NPOs need to determine the level of PsyCap in prospective and existing employees. Not only will this ensure that they attract people with high levels of PsyCap, but it will also identify and provide opportunities for development.

Previous research determined that demographic variables are of little significance; individual differences, leadership and job characteristics are seen as strong predictors of PsyCap (Avey,

2014). NPOs can therefore select new employees on the basis of their individual differences and intrinsic reasons to work for an NPO, rather than on demographic characteristics in the hope of sustaining a higher level of PsyCap.

Recruitment practices in NPOs can be adapted to include PsyCap measures. Practical application of PsyCap can involve including the PCQ as part of a recruitment assessment battery. Interview questions can be constructed to determine prospective employees' reasons to engage in employment at an NPO. These results can then be compared to the reasons found in this study.

Secondly, the level of PsyCap in existing employees can be improved and maintained through micro-interventions. PsyCap micro-interventions, lasting between one and three hours, can be widely applied with positive results to younger and older employees (Avey, Luthans, & Jensen, 2009; Peterson & Spiker, 2005). This cost-effective intervention can have a rapid positive impact on the overall level of PsyCap in employees; indirectly positively influencing all the other aspects that PsyCap is positively related to.

PsyCap can also be used as an evaluative method to identify individual employees or groups who require development. NPOs can measure the PsyCap of their employees on an annual basis as part of a wellness programme. By tracking the PsyCap level of the individual and organisation, it could provide opportunities for micro-interventions. Utilising the PCQ and finding the level of PsyCap in existing employees can identify specific gaps in their PsyCap which could be used as a basis for, for instance, resilience training.

Improving and maintaining the PsyCap of individuals in the organisation will not only benefit the individuals and the organisation, but also the clients that these employees influence on a daily basis. It will therefore have a greater impact on society.

### **3.3.2 Recommendations for Future Research**

Even though it has already been noted that demographic variables are of little significance in predicting PsyCap (Avey, 2014), the relationship between variables such as gender, age, race and PsyCap in a South African population may provide a different outcome. Future research is especially necessary in the fast-growing NPO sector in South Africa.

It would be advisable for future studies to focus on the relationship between tenure and PsyCap in the NPO sector. Studying the level of PsyCap in employees with the propensity to leave NPOs, may provide more insight into the impact of the antecedents of PsyCap (Avey, 2014) on their decisions.

A longitudinal study should be conducted to determine the development and effect of PsyCap in an NPO, specifically through the implementation of a micro-intervention.

Another important study would be to compare the motivations of employees at NPOs and in the public sector, specifically in social services, where the work content is relatively similar. Employees may leave the NPO for the public sector for extrinsic rewards, such as better remuneration. However, after a period of time they may return to work at the NPO due to the working conditions in the public sector (Mafini, 2014).

Correlation studies can be conducted with PsyCap and the specific variables identified as reasons to work in an NPO, such as altruism, calling, and positive social influence. Due to the lack of research identified, value could be added if these studies are conducted in the NPO sector.

## References

- Avey, J. B. (2014). The left side of psychological capital: New evidence on the antecedents of PsyCap. *Journal of Leadership & Organizational Studies*, *21*, 141–149.
- Avey, J. B., Luthans, F., & Jensen, S. M. (2009). Psychological capital: A positive resource for combating employee stress and turnover. *Human Resources Management*, *48*, 677–693. doi: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*, 17–28.
- Borzaga, C., & Tortia, E. (2006). Worker motivations, job satisfaction, and loyalty in public and nonprofit social services. *Nonprofit and Voluntary Sector Quarterly*, *25*, 225–248.
- Cameron, K. S., Dutton, J. E., & Quinn, R. E. (2003). *Positive organizational scholarship*. San Francisco, CA: Berrett-Koehler Publishers.
- Caprara, G., Alessandri, G., & Eisenberg, N. (2012). Prosociality: The contribution of traits, values, and self-efficacy beliefs. *Journal of Personality and Social Psychology*, *102*(6), 1289–1303. doi:10.1037/a0025626
- Culbertson, S. S., Fullager, C. J., & Mills, M. J. (2010). Feeling good and doing great: The relationship between psychological capital and well-being. *Journal of Occupational Health Psychology*, *15*, 421–433. doi:10.1037/a0020720
- Epitropaki, O. (2013). *Employment uncertainty and the role of authentic leadership and positive psychological capital*. Orlando, FL: Academy of Management Conference 2013.
- Flannigan, S. T. (2010). Factors influencing nonprofit career choice in faith-based and secular NGOs in three developing countries. *Nonprofit Management & Leadership*, *21*, 59–75.
- Kosny, A. A., & Eakin, J. M. (2008). The hazards of helping: Work, mission and risk in nonprofit social service organizations. *Health, Risk & Society*, *10*, 149–166.
- Luthans, F. (2002). The need for and meaning of positive organizational behaviour. *Journal of Organizational Behavior*, *23*, 695–706.
- Luthans, F., Norman, S. M., Avolio, B. J., & Avey J. B. (2008). The mediating role of psychological capital in the supportive organizational climate-employee performance relationship. *Journal of Organizational Behavior*, *29*, 219–238. doi:10.1002/job.507
- Luthans, F., & Youssef, C. M. (2007). Emerging positive organisational behaviour. *Journal of Management*, *33*, 321–349.

- Luthans, F., Youssef, C. M., & Avolio, B. J. (2007). *Psychological capital: Developing the human competitive edge*. Oxford, United Kingdom: Oxford University Press.
- Mafini, C. (2014). Factors influencing job satisfaction among public sector employees: An empirical exploration. *South African Journal of Labour Relations*, 38, 116–135.
- Marsh, H.W. (1996). Positive and negative global self-esteem: A substantively meaningful distinction or artefacts? *Journal of Personality and Social Psychology*, 70(4), 810–819.
- Moses, T. (2000). Why people choose to be residential child care workers. *Child & Youth Care Forum*, 29(2), 113–126.
- Peterson, S. J., & Spiker, B. K. (2005). Establishing the positive contributory value of older workers: A positive psychology perspective. *Organizational Dynamics*, 34, 153–167.
- Scheier, M. F., & Carver, C. S. (1985). Optimism, coping, and health: Assessment and implications of generalized outcome expectancies. *Health Psychology*, 4, 219–247.
- Schepers, C., De Gieter, S., Pepermans, R., Du Bois, C., Caers, R., & Jegers, M. (2005). How are employees of the nonprofit sector motivated? A research need. *Nonprofit Management & Leadership*, 16, 191–208.
- Schmitt, N., & Stults, D. M. (1985). Factors defined by negatively keyed items: The result of careless respondents? *Applied Psychological Measurement*, 9, 367–373.  
<http://dx.doi.org/10.1177/014662168500900405>
- Sui, O. L., Bakker, A. B., & Jiang, X. (2014). Psychological capital among university students: Relationships with study engagement and intrinsic motivation. *Journal of Happiness Studies*, 15, 979–994.

## APPENDIX

**Anton Mocke**  
Managing Director

NG Welfare North West & Gauteng  
P O Box 1570, Potchefstroom, 2520, South Africa  
Tel: +27(0) 18 297 3928  
Fax: +27 (0)18 293 1027  
Cell: -  
Email: ngwbestdir@mweb.co.za  
www.ngwelsyn.co.za



**Anton Mocke**  
Besturende Direkteur

NG Welsyn Noordwes & Gauteng  
Posbus 1570, Potchefstroom, 2520, Suid Afrika  
Tel: +27(0) 18 297 3928  
Faks: +27 (0)18 293 1027  
Sel: -  
Epos: ngwbestdir@mweb.co.za  
www.ngwelsyn.co.za

15 November 2012

Geagte Me Theron

### GOEDKEURING OM NAVORSING TE DOEN VIR AKADEMIESE DOELEINDES

Ek verwys na jou versoek van 15 November 2012 per e-pos, waarin jy goedkeuring vra vir jou akademiese navorsing binne NG Welsyn Noordwes.

Hiermee verleen ek, as Besturende Direkteur, aan jou die goedkeuring om binne die organisasie - op die voorwaardes wat jy in jou navorsingsvoorstel uiteengesit het - jou navorsing te kan doen.

Wees verseker van ons samewerking.

Ek wens jou alles sukses toe op jou navorsing en ek glo dat ons ook sal baat by die uiteindelijke resultate wat na vore mag kom in jou studies.

Vriendelike groete

**A.J.Mocke**

**Besturende Direkteur NG Welsyn**

## **INFORMED CONSENT**

### **Title of Research**

Experiences of employees in a non-profit organisation: The role of psychological capital

### **Name of Researcher**

Lorette Theron

It is important to note that, before agreeing to participate in this research study, you need to read the following explanation of the study. This statement describes the purpose, benefits, risks, discomforts, and precautions of the study. Your right to withdraw from this research project will be described and note that no guarantees or assurances can be made as to the results of the study.

### **Explanation of Procedures**

This study is designed to explore the experiences of employees at a non-profit organisation (NPO) by measuring their psychological capital (PsyCap) and finding the reasons they prefer to work there. Lorette Theron, a Master's student at the North-West University, Vaal Triangle Campus, is conducting this study to investigate the PsyCap of individuals employed by NPOs, to see if individuals with higher PsyCap are more inclined to work and remain in an NPO. Not many studies that utilised PsyCap conducted with NPOs could be found. From the results of the PsyCap measurement data, participants with higher PsyCap and participants with lower PsyCap will be selected for follow-up individual interviews, to explore the reasons they prefer to work and remain at an NPO.

Participation in this study will involve: Permanent employees from a registered and regulated NPO operating within the Southwest Gauteng (West Rand and Vaal Triangle) and Northwest Province in the social services sector.

### **Risks and Discomforts**

No intentional risks or harm are anticipated as a result of your participation. It will take 15 to 30 minutes of your time (during work hours) to complete the questionnaire. After the data

from the questionnaire have been analysed, participants with higher PsyCap and participants with lower PsyCap will be selected for follow-up individual interviews.

If you are selected for a follow-up interview, you will be contacted by the researcher via telephone or e-mail and a suitable time and place will be agreed on for the individual interview. The interview will take approximately 45 minutes to one hour. The names of the participants selected for the interview will be confidential and not divulged to the organisation.

The risk of participants being identified with lower PsyCap experiencing any harm or emotional consequence as a result will be dealt with by providing a free training workshop to the organisation in a form of a mini-intervention to develop the PsyCap of the employees of the organisation. Participation in this workshop will be voluntary.

### **Benefits**

This study will hold many benefits, not only to participating organisation, but also to the NPOs in general. This study will make a contribution to research available on the well-being of employees in the NPO sector as well as the limited research of PsyCap that has been conducted in this sector worldwide and in South Africa. It will provide insight for individuals who are currently working in an NPO or are planning to pursue a career in the NPO sector. Managers working in NPOs will also benefit from the results of this study as it will assist them in the recruitment, management and development of their employees. This study will provide clarity as to why people join NPOs and remain there, which in itself may be useful in the recruitment and selection of staff for NPOs and retention of existing staff to minimise turnover. It is obvious that NPOs cannot afford unnecessary spending on recruitment. By using PsyCap as an indicator, it may minimise staff turnover and reduce human resource costs.

### **Confidentiality**

The information gathered during this research project will at all times remain confidential. Information obtained via the research would be used for research purposes only. Feedback on the results of the study will be given to the management of the participating organisation. The research results will be presented in the format of a mini-dissertation that will be submitted to the North-West University, Vaal Triangle Campus, for examination.

**Withdrawal without Prejudice**

Participation is voluntary and refusal to participate in this study will involve no penalty. Each participant is free to withdraw consent and discontinue participation at any given moment in time.

**Costs or Payments**

There will be no costs involved for taking part in this research study. No participant will receive any payment to participate in this research project.

**Questions**

Participants may contact Prof. Ian Rothmann (ian@ianrothmann.com) if they have any questions concerning this research study.

**Agreement**

This agreement states that you have read and received a copy of this informed consent. Your signature below indicates that you understand the parameters of your participation and agree to take part in this research study.

Signature of Participant \_\_\_\_\_ Date \_\_\_\_\_

Participant's Name \_\_\_\_\_

Signature of Researcher \_\_\_\_\_ Date \_\_\_\_\_

## CONSENT FORM

**Title of Research**

Experiences of employees in a non-profit organisation: The role of psychological capital

**Name of Researcher**

Lorette Theron

- I confirm that I have read and understand the information given in the Informed Consent for abovementioned study.
- I have had the opportunity to consider the information, ask questions about it and have had them answered satisfactorily.
- I understand that my participation is voluntary and that I am free to withdraw at any time and without giving a reason.
- I understand that the data gathered from this study will be accessible to other professionals at the North-West University and that the results will be published.
- I agree to take part in this research project and spend 15-30 minutes on completing the questionnaires.
- I am aware that I may be contacted for participation in a follow-up interview which would take 45 minutes to one hour.

Signature of Participant \_\_\_\_\_ Date \_\_\_\_\_

Participant's Name \_\_\_\_\_

Signature of Researcher \_\_\_\_\_ Date \_\_\_\_\_

**FUTURE CONTACT PAGE**

The best way to reach me is:

Address: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Mobile Number: \_\_\_\_\_

No, you may not contact me about future participation in this study.

Would you like us to send you a short summary of the study's findings when it is finished?

No    Yes, please.

Please provide an address where you would like us to send it to:

Address: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

## BIOGRAPHICAL QUESTIONNAIRE / BIOGRAFIESE VRAELYS

(Please note: The information provided on this page will be kept confidential and only be known to the researcher. In order to obtain valuable data for this study, all the questions need to be completed.)

(Let wel: Die informasie wat op hierdie bladsy verskaf word sal vertroulik gehou word en slegs aan die navorser bekend wees. Om waardevolle data vir hierdie studie te bekom, moet alle vrae beantwoord word.)

Name & Surname / Naam & Van:

---

Telephone number / Telefoonnommer:

---

Email Address / Eposadres:

---

Age / Ouderdom:

---

Gender / Geslag:

---

Race / Ras:

---

Home Language / Huistaal:

---

Marital Status / Huwelikstatus:

---

Job Title / Posbenaming:

---

Years in organisation / Jare in organisasie:

---

Level of educational qualification/  
Vlak van opvoedkundige kwalifikasie:

---