Determining the Influence of Psychological Capital on the Ethical Behavior of Sales Force: A Case of Telecom Sector

Fazal ur Rehman      Farwida Javed      Sabir Rehman      Tariq Nawaz
Department of Management Sciences, COMSATS Institute of Information Technology, Pakistan
Fazal_marwatpk@yahoo.com

Abstract
The study assessed the influence of psychological capital on the ethical behavior of sales force in telecom sector of Pakistan. The study used quantitative approach to collect data through questionnaires based survey. The collected data were analyzed through descriptive statistic and stepwise regression. Results of the study indicated that psychological capital has significant effects on the ethical behavior of sales force in telecom sector.

Keywords: Psychological Capital, Ethical Behavior, Sales Force, Telecom Sector

1. INTRODUCTION
Employees are important possessions of any business and their behavior may influence the goals and objectives of an organization. Favorable attitude and ethical behavior is often required to establish professional working environment in the organization. This favorable behavior may lead to gain competitive advantage and increase in market shares. Psychological capital is one of the interesting factor that may influence the behavior of sales force in telecom sector.

Luthan and Youseff (2004) showed interest in the term psychological capital and proposed a definition that it is "a core psychological factor of positivity in general, and positive organizational behavior (POB) criteria meeting states in particular, that go beyond human and social capital to gain a competitive advantage through investment / development of ‘who you are’". Whereas, Walumbwa et al (2011) highlighted some other important elements of psychological capital which are; optimism, hope, self-efficacy and life orientation. It was assumed that these components of psychological capital are important construct and play a important role in the improvement of one performance and effectiveness. It is also helpful to develop professional attitude and behavior in working environment (Luthans et al, 2008). Therefore, the study is in struggle to assess this concept in the behavior of sales force in telecom sector.

Ethical and professional behavior may use as an important business technique to accomplish the objectives of an organization. Like Ate (2012) assumed that ethics are the principles or a set of principles that are used to evaluate the right and wrong in the justice and truth perspectives. These predefined principles may develop a culture and provide direction "how to behave in particular situations” to the staff of an organizations particularly the sales department. It is also noted that some organizations are setting ethical measures due to rare interest of sales force in adopting professional behavior. Organizations often takes action against unethical behavior on some specific occasions. These unethical behaviors may include some activities like long-distance or long run call on company lines, falsifying working hours, falsifying consumers records and many more. Therefore, the aim of this study is to examine the influence of psychological capital on the ethical behavior of sales force in telecom sector of Pakistan.

2. LITERATURE REVIEW
2.1 Psychological Capital
The thought of psychological capital initially appeared in the field of sociology and economics where some researchers like Goldsmith, Darity and Veum in 1997 worked on psychological capital and assumed that it is concerned with individual performance that may affect their behavior. This behavior may work towards the self-esteem of the people (Goldsmith et al., 1997). With the passage of time, in 2004, some researchers found the concept of “Positive Psychological Capital” after in depth insights in economic capital, social capital and human capital. From there the concept of psychological capital emerged in academic literature. Researchers also mentioned some key elements of psychological capital that are; (a) Paradigm of positive psychology that highlights the significance of positivity and strength, (b) Positive organizational behavior, (c) Human and social capital i.e. what you know, who you know, who you are, (d) Investment and development for getting improvement in performance that may result in competitive advantage (Luthans and Youssef, 2004). Psychological capital is optimistic psychological state of individual which is characterized by self-efficacy, hope, optimism and resiliency. These attribute are described as follows:

2.1.1 Self-Efficacy
Self-efficacy makes comparison and difference in people thinking, feelings and actions in various situations that may affect the perception and understanding in the problematic situations (Bandura, 1998). Individuals who possess low self-efficacy may consider challengeable situations in negative ways, while people having higher
level of efficacy possess the courage to face problematic situations (Bandura, 2008).

According to Luthans et al (2007) there are several important features to distinguish the level of self-efficacy of individuals like (a) setting challengeable goals for themselves, (b) feeling comfort and welcome challenges, (c) vast level of self-motivation, (d) investing efforts to successfully completing the goals, (e) insist while facing difficulties. It is assumed that these features are significantly providing the capacity to individuals who have high level of self-efficacy to perform in effective ways. Individual who have considerable efficacy often do not delay for demanding goals which are called “discrepancy reduction” but they develop discrepancies in unbreakable loop for higher self-set goals and willingly face difficult tasks. It is also noted that repetitions of failure and negative feedback have no or very little influence on efficacious people (Bandura & Locke, 2003).

2.1.2 Hope
Synder and Lopez (2005) assumed that hope is a widely used term in daily life and proposed a definition as “the belief that one can find pathways to desired goals and become motivated to use those pathways.” Luthans et al., (2007) noted that very limited research is done to explore the influence of hope in working environment. It is assumed that management with higher degree of hope is expected to perform higher rates of work, greater preserved rate and more satisfied working environment for employees (Peterson & Luthans, 2003). Someone noted the connection of hope with job satisfaction and organizational commitment (Luthans & Jensen, 2002; Youssef & Luthans, 2007). It is also confirmed by researcher that hope is theoretically convergent but is differ then the other three elements of psychological capital (Snyder, 2002). Further, it is also empirically verified that hope has discriminant validity in association with other positive elements of psychological capital (Carifio & Rhodes, 2002; Magaletta & Olivier, 1999). Hope has also significant face validity, instinctive demand and study results which are supporting the relation between hope and another variable i.e positive health outcome. Other three elements of psychological capital moderately overlap with hope, while self-efficacy organizes ways of action (Bandura, 1997).

2.1.3 Optimism
Tiger (1971) provided a detailed description of optimism and defined it as “a mood or attitude associated with an interpretation about the social or material-one which the elevator regards as socially desirable to his or her advantage, or for his or her pleasure.” Likewise, Seligman (1998) gave his valuable suggestions about optimist individuals as “those people who make internal, stable, attributions regarding positive events (e.g. task accomplishment) and those who attribute external, unstable, and specific reasons for negative events (e.g., a missed deadline)”.

Optimism does not exist on an unrestrained procedure that has no proper assessment. This proper optimism includes assessment of what one complete in a particular condition. According to Peterson (2000), realistic optimism is a vigorous, state-like and unchangeable concept and is open to development. It is enhanced by a process like Schneider’s (2001) which is comprised of three steps procedure. The first step of this process is leniency for the past, gratitude for the present and opportunity for future. Hence, optimism is a surface of psychological capital and is related to optimistic result, view of events which are comprised of emotion and motivation (Luthans, 2002a). This explanation indicates a greater influence of optimistic attribution style on the perception process and clarification of individual. The overview of individual may determine how they observe external factors which may affect their behavior. For instance, optimism may have effects on the decision and behavior of people to keep them busy in their work or not.

2.1.4 Resilience
According to Luthans (2002a), resilience is “the positive psychological capacity to rebound, or "bounce back" from adversity, uncertainty, conflict, failure, or even positive change, progress and increased responsibility”. Some other researchers gave suggestions that individual who are possessing high level resilience may be affective in life. For example, it may be easy to develop and adjusting their selves in different threatening situations (Block & Kremen, 1996).

It is noted that very rare work is done to explore resilience in workplace but it is confirmed that different methods are involved in build resilience that are; use of emotions in positive manners (Tugade & Fredrickson, 2004), changing the level of personal assets (Masten, 2001), enhancing the level of development (Luthans et al., 2006). Individual with the features of resilience are having sense of faith and reality (Coutu, 2002). For instance, it is argued by Tugade, Frederickson and Barrett in (2004), that positive emotion get improvement in resilience while a negative event takes place. Further, Richardson (2002) noted an increase in resilience when an individual come back to the level of homeostasis after existence of adverse event. This rising influence of feeling was noted in the work of Fredericson and Joiner in 2002.

2.2 Ethical Behavior
Ethical behavior may indicates that how an organization decisions and actions take place according to the moral and professional principles which may support the regulations and developing its culture. These principles are helpful to distinguish right and wrong actions. According to Ate (2012), ethics are the principles or a set of
principles that are used to evaluate the right and wrong in the justice and truth perspectives. Ethical behavior in business measures how employees behave in their organizations and ethical behavior of employees have impact on the operations of a business (Ate, 2012).

It is assumed that finding unethical behavior among workers is to test the ethical behavior of them. Some unethical behavior that may not a part of illegal character and exists between right and wrong area creates difficulty for management. Hence, various people have different perceptions about what is ethical and what is not. For instance, people may have different view about making a long distance call or long run call on the company line as some people can defend it in their mind. Therefore, lot of companies have cleared and defined ethical strategies which may include formal codes and policies, system for registering and dealing with ethical concerns. But the implementation of these ethical policies is quite difficult because of time shortage in working environment. Ethics Resource Center in USA, conducted a study to determine the link between organization undergoing transitions and workplace ethics. The study assumed that in transitioning firms “when times are toughest and ethical risks are greatest, ethics programs may matter most to organizations and their employees.”

3. THEORETICAL FRAMEWORK
Considerable attention has been given in recent research towards behavioral aspect in organization and psychological capital. For example, Luthans and Youssef (2007) have showed their interest in various aspects of organizational behavior and psychological capital. It was assumed that organizational behavior is given relatively greater attention as compared to psychological capital in recent years (Luthans & Avolio, 2009). It is also noted that individual who are possessing greater psychological capital would have greater involvement in organizational behavior. For example, Fredrickson’s (2003) noted that positive emotions where people utilize larger thought–action collection may increase the positive role of behavior.

Shahnawaz and Jafri (2009) conducted a study in Indian context to determine the influence of psychological capital on the organizational commitment and organizational citizenship behavior. Likewise, Golparvar and Azarmonabadi (2014) conduct a study in Iranian context to explain psychological capital components through organization’s ethical climate components. At the same time, Qadeer and Jaffery (2014) conducted a study in Pakistani context to determine the mediation of psychological capital between organizational climate and organizational citizenship behavior. An empirical study was conducted by Hui et al.,(2014) in China to investigate the influence of organizational support on psychological capital.

The above literature highlights various aspects of psychological capital and its relationship with different variables like job satisfaction, work attitude, promotion and some other. Likewise, ethical behavior is tested with different variables. This study noted a gap of knowledge to determine the influence of psychological capital on the ethical behavior of sales force in telecom sector in Pakistan.

3.1 Research Model
The current study develop a model to determine the influence of psychological capital (independent variable) on the ethical behavior (dependent variable) of sales force in telecom sector. The developed conceptual model is visualized below:

![Figure 3.1 Own Research Model](image)

3.2 Hypothesis of the Study
Hypotheses are the study predictions which are developed on the basis of previous literature. The verification of these hypothesis are done after data analysis. The analyzed results leads to accept or reject the developed hypothesis (Marczyk, et al., 2005). The study developed the following hypotheses on the basis of previous literature:

H1: Self-efficacy has significant impacts on the ethical behavior of sales force in telecom sector.
H2: Hope has significant impacts on the ethical behavior of sales force in telecom sector
H3: Optimism has significant impacts on the ethical behavior of sales force in telecom sector.
H4: Resilience has significant impacts on the ethical behavior of sales force in telecom sector.

4. METHODOLOGY

The study collected data through questionnaires based survey from 192 sales personnel of telecom sector in Abbottabad, Peshawar, Islamabad and Rawalpindi regions. The survey instrument consisted of demographic information’s along with other important variables. It was conveyed to the respondents of the study that data is for research purposes and will be kept confidential.

The instrument of study is adopted from (Lehoczky, 2013; Pelletier & Bligh, 2006). A pilot study was conducted to check the reliability of adopted instruments. To check the reliability, data was collected from 50 respondents which comprised both male and female. The following table indicates the results of pilot study.

<table>
<thead>
<tr>
<th>Variables</th>
<th>No of items</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>SE</td>
<td>0.743</td>
<td>10</td>
</tr>
<tr>
<td>HP</td>
<td>0.701</td>
<td>6</td>
</tr>
<tr>
<td>OP</td>
<td>0.823</td>
<td>8</td>
</tr>
<tr>
<td>RS</td>
<td>0.761</td>
<td>10</td>
</tr>
<tr>
<td>EB</td>
<td>0.782</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: Primary Source

The study applied regression for statistical results after data collection. Step wise regression was applied to quantify the impacts of independent variables on a dependent variable.

5. RESULTS

The study used correlation statistics to determine correlation among variables. Table 2 presents the results of correlation.

<table>
<thead>
<tr>
<th>Variables</th>
<th>No of items</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>SE</td>
<td>0.743</td>
<td>10</td>
</tr>
<tr>
<td>HP</td>
<td>0.701</td>
<td>6</td>
</tr>
<tr>
<td>OP</td>
<td>0.823</td>
<td>8</td>
</tr>
<tr>
<td>RS</td>
<td>0.761</td>
<td>10</td>
</tr>
<tr>
<td>EB</td>
<td>0.782</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: Primary Source

The study used correlation statistics to determine correlation among variables. Table 2 presents the results of correlation.

<table>
<thead>
<tr>
<th>Variables</th>
<th>No of items</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>SE</td>
<td>0.743</td>
<td>10</td>
</tr>
<tr>
<td>HP</td>
<td>0.701</td>
<td>6</td>
</tr>
<tr>
<td>OP</td>
<td>0.823</td>
<td>8</td>
</tr>
<tr>
<td>RS</td>
<td>0.761</td>
<td>10</td>
</tr>
<tr>
<td>EB</td>
<td>0.782</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: Primary Source

The statistical results in the above table indicates that self-efficacy is positively correlated with hope, resilience, optimism and ethical behavior of the employees. Hope is also positively correlated with resilience, optimism and the ethical behavior of the employees. Similarly, optimism is positively correlated with resilience and ethical behavior of the employees. At the same time, resilience has positive correlation with the ethical behavior of employees.

4.1 Statistical Results

This is the important part of study to determine the influence of psychological capital of the ethical behavior of sales force in telecom sector. The study applied regression analysis to determine this influence and the statistical results of the model are presented in the following table:

<table>
<thead>
<tr>
<th>Variables</th>
<th>Beta Value</th>
<th>Standard Error</th>
<th>P Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-efficacy</td>
<td>.326</td>
<td>.032</td>
<td>.005</td>
</tr>
<tr>
<td>Hope</td>
<td>.413</td>
<td>.024</td>
<td>.004</td>
</tr>
<tr>
<td>Optimism</td>
<td>.512</td>
<td>.015</td>
<td>.000</td>
</tr>
<tr>
<td>Resilience</td>
<td>.648</td>
<td>.023</td>
<td>.002</td>
</tr>
</tbody>
</table>

Source: Primary Source

The above table indicates the magnitude of psychological capital (self-efficacy, hope, resilience and optimism) on the ethical behavior of sales personnel in telecom sector. The value of beta coefficient of self-efficacy ($\beta = .326$), hope ($\beta = .413$), optimism ($\beta = .512$), and resilience ($\beta = .648$) have positive effects on the ethical behavior of employees. It can be inferred from the results that self-efficacy has positive influence on the
ethical behavior of sales personnel as they may be able to solve most of the problems independently. Likewise, it can also be inferred from the results that hope has positive impacts on the ethical behavior of sales personnel as they may effectively reach to their defined goals and objectives. However, all these variables of psychological capital have significant effects on the ethical behavior of sales personnel in telecom sector. Therefore, on the basis of results the study leads to the conclusion to accept the hypothesis of the study.

6. DISCUSSION

The study assessed the influence of psychological capital on the ethical behavior of sales force in telecom sector of Pakistan. The study applied quantitative technique along with questionnaires based survey to collect data and analyzed through stepwise regression to determine results. The results of the study indicated that all the sub dimension of psychological capital have positive and significant effects on the ethical behavior of sales force in telecom sector. This study is in line with some other studies which are discussed as follow.

Golparvar and Azarmonabadi (2014) conduct a study in Iranian context to explain psychological capital components through organization’s ethical climate components. The study collected data through questionnaire based survey from 267 employees of Railway Company in Isfahan city. The results of the study indicated a positive and significant relationship between the components of ethical climates and self-efficacy, hope, resiliency and life orientation. This study is in line in the sense of psychological capital. At the same time, Qadeer and Jaffery (2014) conducted a study in Pakistani context to determine the mediation of psychological capital between organizational climate and organizational citizenship behavior. The study collected data through questionnaires based survey to collect data from 108 employees of multinational companies. The results of the study showed that psychological capital has significant relationship with organizational climate and organizational citizenship behavior. This study is in line in the sense of psychological capital. Likewise, An empirical study conducted by Hui et al.,(2014) in China to investigate the influence of organizational support on psychological capital. The study applied structure equation model to analyze the questionnaires. The results of the study indicated that perceived organizational support has positive influence on the dimensions of psychological capital which are, clam, hope, optimism and self-confidence. The study is in line in the sense of psychological capital.

Fu (2013) conducted a study in Chinese context to determine the influence of emotional intelligence, organizational commitment, and job satisfaction on the ethical behavior of employees. The study took a sample of 507 workers in public sector organizations. The study noted that emotional intelligence has positive and significant effects on ethical behavior. Similarly, organizational commitment and job satisfaction have positive and significant influence on the ethical behavior of Chinese workers. In control variables, age has significant but negative impacts on the ethical behavior of employees. It was assumed that young employees are possessing better ethical behavior as compared to aged employees. This study is in line in the sense of ethical behavior of employees.

The managerial prospective of the study was to test whether the concept psychological capital can be applied to influence the ethical behavior of sales force in telecom sector. The results indicated that psychological capital can be applied to influence the ethical behavior of sales force in telecom sector.

8. CONCLUSION

The thought of psychological capital first appeared in the field of economics and sociology in 1997. It was considered that psychological capital may affect employees behavior and performance in an organizations. Researchers defined psychological capital and its key elements that are; (a) Paradigm of positive psychology that highlights the significance of positivity and strength, (b) Positive organizational behavior, (c) Human and social capital i.e. what you know, who you know, who you are , (d) Investment and development for getting improvement in performance that may result in competitive advantage. Researcher also proposed a definition of psychological capital along with four dimensions that are: self-efficacy, hope, optimism and resilience. Whereas, ethics are principles or set of principles that are used to evaluate the right and wrong in the justice and truth perspectives. Ethical behavior in business measures how employees behave in their organizations and ethical behavior of employees have impact on the operations of a business.

The aim of this study is to determine the impacts of psychological capital on the ethical behavior of sales force in telecom sector of Pakistan. The study collected data from the sales personnel in Abbottabad, Peshawar, Islamabad and Rawalpindi regions. The collected data were analyzed through stepwise regression. The study results showed that psychological capital has positive and significant effects on the ethical behavior of sales force in telecom sector. While interpreting the results of the study, it is necessary to keep in mind that the data applied in the study was collected from the Abbottabad, Peshawar, Islamabad and Rawalpindi regions, therefore, readers need to be cautious in generalizing the results of the this study. To further enrich the analysis, the study recommends that future research should include a moderating variable like gender. Additionally, the
study was only limited to telecom industry, further research should include manufacturing and other services related industries.

9. REFERENCES


Qadeer, F., & Jaffery. H. (2014). Mediation of Psychological Capital between Organizational Climate and
The IISTE is a pioneer in the Open-Access hosting service and academic event management. The aim of the firm is Accelerating Global Knowledge Sharing.

More information about the firm can be found on the homepage: http://www.iiste.org

CALL FOR JOURNAL PAPERS

There are more than 30 peer-reviewed academic journals hosted under the hosting platform.

Prospective authors of journals can find the submission instruction on the following page: http://www.iiste.org/journals/ All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Paper version of the journals is also available upon request of readers and authors.

MORE RESOURCES

Book publication information: http://www.iiste.org/book/

Academic conference: http://www.iiste.org/conference/upcoming-conferences-call-for-paper/

IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar