

***Effects of Job Autonomy and Positive Psychological Capital on Job Performance of Banking Employees: Mediating Role of Intrinsic Work Motivation***

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**Abstract**

Factors that affect employee job performance have long been a topic of interest to industrial and organizational psychologists. There are numbers of studies which explored the relationship between motivation and job performance. However, there has been little empirical research on the joint impact of employees' personality factor and autonomy aspect of job itself on job performance via their intrinsic work motivation. Therefore, the purpose of the study is to explore how job autonomy and positive psychological capital help organizations promote employees' performance through intrinsic work motivation. Data is collected from 403 employees working in banking sector in Bangkok, Thailand. Structural Equation Modelling (SEM) was employed to examine the effects of job autonomy, positive psychological capital and intrinsic work motivation on job performance. Results of the analysis indicated that the estimated model in this study is acceptable based on its score of the goodness of fit index. The structural relationship showed that job autonomy, positive psychological capital and intrinsic work motivation significantly related to job performance. In addition, results from the current study showed that intrinsic work motivation fully mediates the relationship between job autonomy and job performance, and partially mediates relationship between positive psychological capital and job performance. Implications of the study are discussed, together with limitations and suggestions for future research.

Keywords: job performance, intrinsic work motivation, job autonomy, positive psychological capital

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## **Introduction**

Job performance is also one of the well researched topics for many years. Many empirical studies have been conducted to address factors that contribute to the employee's job performance.

Job autonomy is considered as one of the most important characteristics of work (Cordery & Wall, 1985). Job autonomy refers to the degree of discretion employees have over important decisions in their work (Hackman & Oldham, 1980). When Job autonomy is increased, employees have to recognize their new opportunities, think about task-related objectives, processes, strategies, and make decisions about how to perform tasks (Langfred & Moye, 2004; Morgeson & Humphrey, 2006). Previous researches have been examined the effect of job autonomy on organizational commitment (Naqvi, Ishtiaq, Kanwal, & Ali, 2013), job satisfaction (Nguyen, Taylor, & Bradley, 2003) and job performance (Saragih, 2012; Langfred & Moye, 2004)

With the increasing attention being focused on positivity in the workplace. Positive psychological capital is one of the new research areas of interest to researchers of organizational behavior and human resources (Avey, Reichard, Luthans, & Mhatre, 2011). Positive psychological capital, or simply PsyCap has been conceptually identified as consisting of four positive psychological resources of self efficacy, hope, optimism, and resilience (Luthans & Youssef, 2004; Luthans, Youssef, & Avolio, 2007). According to Luthans, et al. (2007) PsyCap can be regarded as a competitive advantage through investment on people. Future more, several studies (e.g., Avey et al., 2011; Luthans, Avey, Avolio, Norman & Combs, 2006; Luthans, Avey, Avolio & Peterson, 2010) suggested that PsyCap lead to job performance.

However, although many researched examined the direct effects of job autonomy and PsyCap on job performance, very few studies have examined the mechanisms that perform mediating role in this relationships. In fact, multiple researchers claim intrinsic work motivation to be an important performance determinant (e.g., Deci, 1976; Harackiewicz & Sansone, 2000). Intrinsic work motivation is defined as "the degree to which a person wants to work well in his or her job, in order to achieve intrinsic satisfaction" (Warr, Cook, & Wall, 1979 p. 135). In addition, based on theoretical model of work motivation proposed by Gagne & Deci (2005), social environment and individual differences are the key antecedents of motivation and job outcomes. Thus, the aim of this study is to focus the joint effects of job autonomy and PsyCap on job performance through intrinsic work motivation mechanisms in Thailand banking context.

## **Literature Review And Hypotheses**

Relationship of job autonomy to job performance.

Saragih (2012) suggested that employees who have greater job autonomy will consider themselves skillful and creative in accomplishing their tasks. Further, increased job autonomy enables employees to break out of a routine and to find the best solution along the way (Shalley & Gilson, 2004). Positive association between job autonomy and job performance is also established in the literature (Saragih,

2012;Gellaty & Irving,2001, Langfred & Moye,2004 ). Therefore, it is hypothesized that:

*H1 Job autonomy should be positively related to job performance.*

Relationship of PsyCap to job performance.

Individuals higher in PsyCap can be expected to display behavior directed toward accomplishing goals and thereby leading to enhanced performance, when compared to individuals lower in PsyCap (Avey et al., 2011). A growing number of studies have clearly demonstrated that PsyCap is significantly related to Job performance (e.g., Luthans, Avolio, Avey & Norman, 2007; Luthans et al.,2006; Luthans, Avey, Avolio & Peterson.,2010). In their meta-analysis, Avey et al. (2011) found PsyCap had significant positive relation on job performance. In addition to this, Luthans and his colleagues (Luthans et al., 2006) have found that PsyCap is a core construct that predicts performance and satisfaction better than any of the individual strengths that make it up. Therefore, it is hypothesized that:

*H2 Positive Psychological capital should be positively related to job performance.*

Relationship of Intrinsic work motivation to job performance

There is also empirical evidence to support the relationship between intrinsic work motivation and job performance.( Karatepe & Tekinkus, 2006; Grants,2008; Guo, Yun, et al., 2014). Accordingly, self-determination theory suggests that when intrinsic motivation is high, prosocial motivation will be positively associated with persistence, performance, and productivity (Grants,2008). In addition, the 40 years meta-analysis based on school, work, and physical domains by Cerasoli, Nicklin & Ford (2014) demonstrates that intrinsic motivation is a medium to strong predictor of performance(  $\rho=.21-.45$ ). Therefore, it is hypothesized that:

*H3 Intrinsic work motivation should be positively related to job performance.*

Intrinsic work motivation as a mediator between job autonomy and job performance.

Motivation is one mechanism that explains the relationship between job autonomy and performance (Langfred & Moye, 2004). Following job characteristics model (Hackman & Oldham,1976), job autonomy leads to the critical psychological state of “experienced responsibility for outcomes of the work,” which in turn leads to outcomes such as high work effectiveness and high internal work motivation.

A conceptual linkage between job autonomy, intrinsic work motivation and job performance can be drawn from research by Piccolo & Colquitt (2006). Their study examined the mediating role that the intrinsic work motivation has between core job characteristic (variety, identity, significance, autonomy, and feedback) and job performance. Likewise, Humphrey, Nahrgang, & Morgeson (2007), have provided meta-analytical evidence that perceived job autonomy is positively related to important work outcomes, such as performance, job satisfaction, organizational commitment, and intrinsic work motivation. Therefore, it is hypothesized that:

*H4 Intrinsic motivation should mediate the impact of job autonomy on job performance.*

Intrinsic work motivation as a mediator between PsyCap on job performance.

Although we hypothesize a direct relationship between PsyCap and Job performance, we are also interested in exploring whether intrinsic work motivation in management mediates these relationships. Two other conditions are required for mediation. First, Intrinsic motivation must be related to PsyCap. In support this view, Siu, Bakker, & Jiang (2014) in a sample of university students found that intrinsic motivation has partial mediation effect on study engagement. Second, intrinsic motivation must be linked to job performance; this has been shown in previous study (Piccolo & Colquitt, 2006; Zapata-Phelan, Colquitt, Scott, & Livingston, 2009). Furthermore, Joo, Jeung, & Yoon (2010) found that intrinsic work motivation partially mediated the relationship between core self-evaluations and job performance. Thus, Intrinsic work motivation might be a mechanism that mediates associations between PsyCap and job performance.

*H5 Intrinsic motivation should mediate the impact of job autonomy on job performance.*

## **Research method**

### **Participants**

Participants were bank employees employed by a large regional bank in Thailand. Survey questionnaires were distributed to 480 employees. Questionnaires were provided to employees and collected one week later by research assistants. We received responses from 403 (80% response rate) employees. All respondents were informed that the survey was being conducted for academic research purposes in an attempt to better understand issues that affect people at work. To ensure confidentiality, the respondents were instructed to seal the completed questionnaires in the envelopes and return them directly to us on site. Most respondents were female (73.20%), around 26-30 Years old (38.71%), were having bachelor's degree (65.76%) and 47.89 % of them were having working experience less than 5 years.

### **Measurement**

*Self-report job performance.*

Two components of job performance were measured based on organization's performance appraisal system. These components included (a) output: a rating of employee performance relative to quantitative and qualitative indicators of the organization. (b) competency: an average of ratings on items describing behaviors related to core values of the organization. A sample item was "My boss is never disappointed in the quality of work that I provide". The job performance scale consisted of 41 items, each item was answered via a 5-point Likert scale (1 = strongly disagree to 5= strongly agree). The overall Cronbach's alpha was .959 in the study.

### *Intrinsic work motivation.*

This questionnaire was developed by Choochom, Sucaromana, & Chuawanlee (1999). The questionnaire consists of 30 questions and measured five dimensions of challenging, interest-enjoyment, autonomy, need of competence and determination. Each item was answered via a 5-point Likert scale (1 = strongly disagree to 5= strongly agree). A sample item was “I want my work to provide me with opportunities for increasing my knowledge and skills”. The overall Cronbach’s alpha was .929 in the study.

### *Job autonomy.*

Job autonomy was measured with 27-item adapted from Morgeson & Humphrey (2006). It consisted three dimensions – work schedule, work decision, and work method. Each item was answered via a 5-point Likert scale (1 = strongly disagree to 5= strongly agree). A sample item was “The job allows me to make my own decisions about how to schedule my work”. The overall Cronbach’s alpha was .951 in the study.

### *Positive psychological capital (PsyCap).*

PsyCap was assessed using the PsyCap scale developed based on Luthans and his colleagues’ concept of PsyCap (Luthans et al., 2007) comprised of self-efficacy, hope, optimism, and resilience. The scale consisted of 29 items. A sample item was “you are confident in your ability to solve problems”. The overall Cronbach’s alpha was .939 in the study.

## **Results**

### Descriptive statistics

Means, standard deviations, correlations and Cronbach’s alpha coefficients among all the variables are presented in Table 1. The results for correlations showed that all variables were significantly related to each other. All measures demonstrated adequate levels of reliability (0.78–0.95).

Table 1: Means, standard deviations, Cronbach’s alpha and correlations of observed variables

	M	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.sch	3.56	.61	(.88)	.												
2.dec	3.62	.60	.77**	(.86)												
3.met	3.62	.59	.79**	.84**	(.90)											
4.eff	3.85	.51	.46**	.46**	.51**	(.84)										
5.hope	3.88	.58	.51**	.50**	.56**	.75**	(.86)									
6.op	3.87	.49	.38**	.38**	.40**	.59**	.68**	(.78)								
7.re	3.82	.51	.43**	.41**	.41**	.65**	.71**	.66**	(.83)							
8.cha	3.70	.70	.39**	.39**	.40**	.49**	.55**	.35**	.53**	(.86)						
9.enj	4.17	.55	.39**	.34**	.38**	.52**	.61**	.52**	.52**	.47**	(.85)					
10.aut	3.98	.56	.39**	.34**	.39**	.42**	.46**	.41**	.36**	.43**	.62**	(.83)				
11.com	4.12	.54	.43**	.42**	.46**	.51**	.57**	.52**	.47**	.48**	.73**	.69**	(.90)			
12.det	3.78	.66	.29**	.31**	.33**	.39**	.43**	.33**	.40**	.54**	.36**	.30**	.33**	(.78)		
13.out	3.69	.51	.46**	.42**	.47**	.63**	.62**	.56**	.62**	.46**	.58**	.47**	.57**	.34**	(.91)	
14.comp	4.09	.61	.41**	.34**	.39**	.55**	.60**	.60**	.59**	.35**	.63**	.48**	.62**	.30**	.68**	(.95)

Note. Means, standard deviations, correlations and Cronbach's alpha. \*\*p<.01;n=403;sch = work schedule; dec = work decision; met = work method; cha = challenging; enj = interest-enjoyment; aut= autonomy; com = need of competence; det = determination; eff= self-efficacy; hope = hope; op = optimism; re = resilience; out=output; comp=competency

### Structural equation model assessment

Structural equation modeling (SEM) was used to test the hypothesized model. An initial model was estimated with maximum-likelihood method for estimating the path coefficients. Modification indices were used for modifying model to be good fit to the data. The overall final model appears to fit the data adequately ( $\chi^2=58.847$ ,  $df=48$  p-value= .136 RMSEA=.024, GFI =.980, AGFI = .955, RMR =.011). The direct effect of job autonomy on job performance is non significant, therefore hypothesis 1 was not supported. PsyCap has direct effect on job performance. ( $\beta = .66$ ,  $p < 0.001$ ), thus proving hypothesis 2. Moreover, the intrinsic work motivation has direct effects on job performance. ( $\beta = .30$ ,  $p < 0.001$ ), supporting hypothesis 3. Finally, indirect effect of job autonomy on job performance by mediating intrinsic work motivation was .06 ( $p < .05$ ) and PsyCap on job performance by mediating intrinsic work motivation was .20 ( $p < .001$ ), supporting hypothesis 4 and hypothesis 5. In summary, the results suggest that the three antecedents explained 86.60% of the variance in job performance. Direct and indirect effects are presented in table 2. Standardized path coefficients and overall model fit of the supposed structural model is shown in the figure 1.

Table 2: Total, direct, and indirect effects of job autonomy, PsyCap, Intrinsic work motivation, job performance.

Independent variable	Dependent variable	
	Intrinsic work motivation	Job performance
<b>Job autonomy</b>		
Direct effect	.21***	.02
Indirect effect	-	.06**
Total effect	.21***	.09*
<b>PsyCap</b>		
Direct effect	.65***	.66***
Indirect effect	-	.20***
Total effect	.65***	.86***
<b>Intrinsic work motivation</b>		
Direct effect	-	.30***
Indirect effect	-	-
Total effect	-	.30***

\* p<.05 \*\*\*p<.001

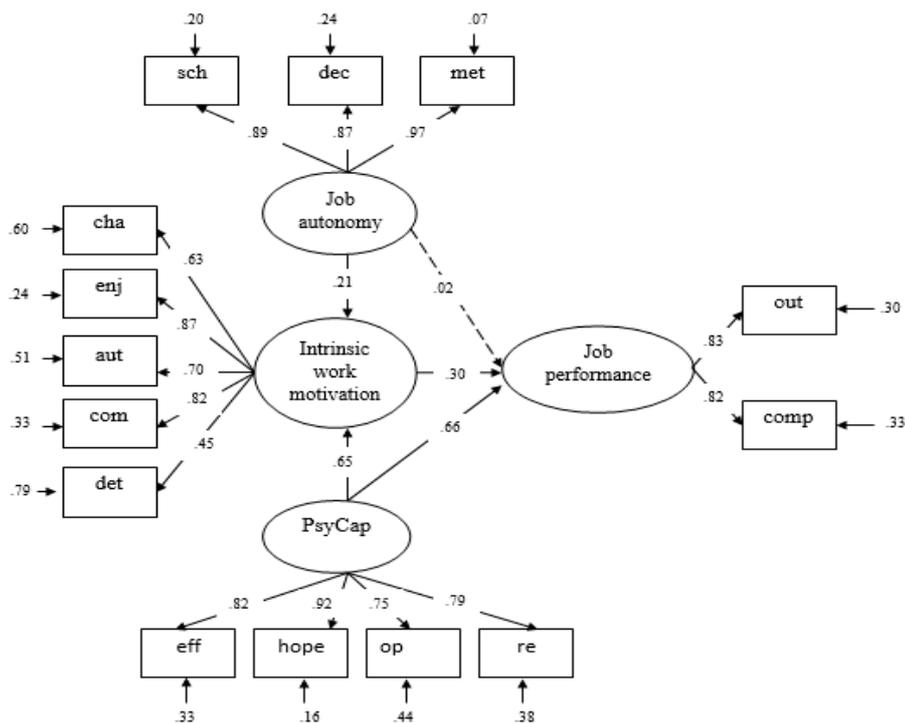


Figure. 1. Modified model (Final model)

## Discussion and conclusion

The present study was aimed to explore the joint impact of job autonomy and PsyCap on intrinsic work motivation and job performance towards organization. The findings revealed that all independent and mediator variables jointly and relatively contributed to job performance. One of the main important of this study is to emphasize the mediational role of intrinsic work motivation in the relationship between job autonomy, PsyCap and job performance. In general, our findings support the theoretical model of work motivation proposed by Gagné and Deci (2005), which suggested environmental factors and individual differences as a predictor of job outcomes, with that relation mediated by intrinsic work motivation.

Another important result of this study based on the non significant direct effect of job autonomy on job performance is similar to the finding of Joo et al. (2010). Although there is empirical support for the relationship between job autonomy and performance (e.g., Spector, 1986), the effect size is only modest ( $r = 0.26$ ). According to Hackman and Oldham (1976), autonomy leads to the psychological state of experienced responsibility for work outcomes, which in turn leads to outcomes such as high work effectiveness and high internal work motivation. Based on this rationalization it can be concluded that job autonomy would influence performance (high work effectiveness) through its effect on motivation instead of a direct influence on job performance. This result supports findings of Joo et al. (2010) and allows to better understanding how job autonomy is indirectly related to job performance. In fact, this research revealed an effect of fully mediation by intrinsic work motivation on job autonomy-job performance relationship, adding an important contribute to the literature.

The findings further revealed that PsyCap has direct effect on job performance suggesting that individuals with high levels of PsyCap are likely to display behavior directed toward accomplishing goals and thereby leading to enhanced performance (Avey et al., 2011). The result of this study was generally consistent with previous studies (Luthans et al., 2006; Luthans et al., 2010). Additionally, intrinsic work motivation partially mediates the relationship between PsyCap and Job performance. This result can be explained by the nature of PsyCap which is a high motivational propensity (Luthans et al., 2007).

This study has some limitations. First we draw our sample from banking employee. This limits the generalization of our results to other sample. Second, the study was conducted at one point in time, causal relationships among the variables cannot be established. Longitudinal studies should be employed to test the hypotheses. Finally, all the questionnaires which we used in this study were self-reports. Therefore, our results might have been influenced by the common method bias (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Future studies should collect data from multiple sources, and consider using objective data (e.g., actual sales volume) to measure job performance.

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