Psychological Capital, Work Engagement and Affective Organizational Commitment among Employees of the Handloom Industries in Sri Lanka

Sri Lanka Journal of Social Sciences and Humanities
Volume 3 Issue 1, February 2023: 91-100
ISSN: 2773 692X (Online), 2773 6911 (Print)

Published by the Faculty of Social Sciences and Languages, Sabaragamuwa University of Sri Lanka
Website: https://www.sab.ac.lk/sljssh
DOI: http://doi.org/10.4038/sljssh.v3i1.89
SLJSSH

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Received: 22 August 2022, **Revised:** 17 November 2022, **Accepted:** 26 December 2022.
How to Cite this Article: Kalyani, L.D., Priyanath, H.M.S., and Aruna S. Gamage. (2023). Psychological capital, work engagement, and affective organizational commitment among employees of the handloom industries in Sri Lanka. *Sri Lanka Journal of Social Sciences and Humanities, 3*(1), 91-100.

Abstract

The study examined the effect of psychological capital on work engagement and employees' affective organizational commitment of employees in the weaving centre of the Handloom sector in Sri Lanka. Further, it attempts to find out the effect of psychological capital on work engagement and affective organizational commitment of employees of the Handloom industries in Sri Lanka. The study expands the literature on relevance by contextualizing it in one of Sri Lanka's indigenous sectors of the Handloom industry based on the Conservation of Resources (COR) Theory and the Job Demand-Resources (JD-R) Theory. Data was collected from 361 employees in the Handloom industry in Sri Lanka by applying the second thumb rule of Ringle et al (2012). The quantitative analytical technique was employed in this study through Smart Partial Least Square - Structural Equation Modelling. The study revealed that psychological capital has positively related to affective organizational commitment and work engagement, the association between psychological capital and affective organizational commitment was mediated by work engagement. The study contributes to the body of knowledge on both the JD-R theory and COR theory by expanding the theoretical understanding of the mediation effect of work engagement in the relationship between psychological capital and affective organizational commitment.

Keywords: Affective Organizational Commitment, Handloom Weaving Centre, Psychological Capital, Work Engagement.

INTRODUCTION

Affective Organizational Commitment has become a buzzword in today's business world. It has received a lot of attention in today's organizational context to improve key outcomes like employee efficiency and effectiveness and it has been shown to have the greatest favourable connection with positive work outcomes (Alsiewi & Agil, 2014). Many authors (Clifton, 2014; Singh & Gupta, 2015) underlined that the deep emotional attachment to the organization is the most important human component that influences organizational outcomes. organizations apply various strategies such as effective communication, effective leadership, and strong teamwork to enhance the employees' affective organizational commitment. However, gaining employee affective commitment to such strategies remains a challenge. Even though enhancing employees' affective commitment to their workplace has garnered a lot of scholarly attention recently, the problem still exists. Researchers pay more attention to perceived affective organizational commitment which reflects the antecedents which influence affective organizational commitment and practices currently available in an organization. At present, managers and researchers worldwide (Alsiewi & Agil, 2014) investigate how to enhance the level of employees' affective organizational commitment / emotional commitment to their workplace due to the significance of this positive work outcome to reach the effectiveness of the organization.

Recently many practitioners and scholars reveal that a variety of factors influence the level of affective organizational commitment such as high-performance work practices (Karatape, 2013); Respectful Engagement (Basit, 2019); Leadership style (Bhagat et al., 2019); Employee Engagement (Paek et al., 2015). Also, many scholars (Luthans et al., 2007; Robyn & Mintonga-Monga, 2017) show that psychological capital plays a critical role among all other determinants of getting a high level (Pariate et al., 2017) of organizational commitment including affective organizational commitment. Psychological Capital (PsyCap) plays a vital role among all other capitals (human, social, cultural, and psychological) and it stems from the positive organizational behavior approach, which is based on

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Peterson and Seligman's (2004) positive psychology. The four components of psychological capital, are often known as personal resources, hope, efficacy, resilience, and optimism. PsyCap is a self-aspect frequently associated with adaptability and gives people a sense of control and influence over their situations, helping them to deal well with their circumstances (Hobfoll et al., 1989; Hobfoll et al., 2018). Furthermore, Hobfoll et al. (1989, 2018) emphasize these views through the Conservation of Resources (COR) Theory. Workers who have not acquired these resources as part of their repertoires of behaviours and, more importantly, if they notice a chronic mismatch between the demands of the work environment and their resources, can develop undesirable stress and fatigue outcomes (Halbesleben et al., 2010). As a result, personal resources are important in assisting work environment adaptation and allowing individuals to deal with high-pressure job conditions. Workers with abundant personal resources are more adaptable, sensitive to change, open to learning, and motivated to continue growing (Airila et al., 2014). Highly engaged employees show high satisfaction and an emotional and motivational commitment to their jobs (Schaufeli & Bakker, 2004). The Job Demand Resources (JD-R) model agrees with the previously stated premises. According to the JD-R paradigm, personal resources, such as psychological capital, lead to enhanced employee engagement and beneficial organizational outcomes lt, the researchers believe that employees' resources might enhance work engagement as well as good outcomes like affective organizational commitment, which fevers accepting tough work environments. Further, research has identified that numerous scholars examined the influence of psychological capital on organizational commitment including affective organizational commitment (Eteberian, 2012; Luthans et al., 2007; Yildiz., 2018). Many Scholars (Bogoni et al., 2017; De Wall & Pienaar, 2013; Herbert, 2011) pointed out the significant influence of PsyCap on work engagement. Already scholars (Alarm, 2017; Eghlidi, 2016; Karatape, 2013) revealed the influence of work engagement on organizational commitment, including affective commitment. The mediator role of work engagement in the relationship between affective organizational commitment and psychological capital has not been adequately studied. The goal of the current research is to address the knowledge gap about the relationship described above.

The Handloom industry is one of Sri Lanka's indigenous industries and it is centuries old in Sri Lanka. In numerous ways, this heritage industry contributes to improving the citizens' economic stability specifically in rural areas in Sri Lanka. There is some evidence available on the employees' affective organizational commitment to indigenous industries in Sri Lanka at a low level. For instance, Chairman of the National Craft Council (NCC) Abesekara (2020) noted that the Handloom and Batik industry faces many problems such as a lack of skilled labour, low retention of employees, upgrading of technology, inadequate ability to supply the necessary raw materials, product marketing, inability to access institutional credit, and trade barriers (Daily News, 2020). The lack of skilled workers means employees are not retained for a long time with their workplace to get the proper training on weaving, and employees do not pay emotional attachment/affective commitment to their workplace and the final result is low retention of the employees in the relevant sector.

Based on the theoretical background of the current study, the researchers argue that the process of enhancing the affective organizational commitment of employees in the Handloom weaving centres in Sri Lanka is possible by improving their psychological capital and work engagement. To our knowledge, there were a smaller number of empirical studies/no studies available to reveal the holistic relationship between the construct of PsyCap, work engagement, and affective organizational commitment. Therefore, this paper attempts to fill this deficit in extant literature by investigating the effects of psychological capital on work engagement and affective organizational commitment among employees of the Handloom industry in Sri Lanka.

THEORETICAL BACKGROUND

Using two theories of COR and JD-R model, the study problem of does psychological capital impacts employees' affective organizational commitment with mediating role of work engagement is studied. As per Hobfoll (1989, 2018), the key tenet of the COR theory is that people try to preserve and conserve particular resources that they value. These resources can be "this object, personal characteristic condition, or energies which are valued by the person" (Hobfoll, 1989, p. 514). Hobfoll (1989) described that resource gain and loss are not symmetrical because the loss is disproportionately higher than resource gain. These resources can be depleted, and they need to be invested in recovering from loss and are better able to manage profit (Hobfoll, 2018). Hobfoll (2018) also suggests that resources tend to produce each other as one may have one significant resource connected to or may replace others. For instance, when a role is demanding, job resources such as social support are related to or may even substitute personal resources such as self-efficacy or optimism. Hobfoll (2018) calls this linkage and interplay a "Resources Caravan" (Hobfoll, 2001: 349) and leading positive outcomes (Hobfoll, 2001). Bakker and Demerouti (2007, 2008) suggested that this notion is linked to the JD-R model. According to the JD-R model, work engagement is a mediator between job resources and personal resources (psychological capital) and positive organizational outcomes (Bakker & Demerouti; 2007, 2008).

Affective organizational commitment: Meyer and Allen's (1991) three-dimensional (affective, normative, and continuance) scale has been the most widely used way to examine organizational commitment for the past 20 years. Affective organizational commitment is based on a person's identification with, as well as a desire to have a relationship with, an organization (Meyer & Allen, 1991). Meyer et al. (2002) backed the importance of affective commitment by demonstrating that employees who display strong affective commitment are more determined to accomplish greater results and make more significant contributions than those who demonstrate continuity or normative commitment.

In most empirical research applying the three-component model of organizational commitment, the affective commitment component of the model was found to have the most substantial effect on various work outcomes rather than the other two commitments of normative and continuance (Paek et al., 2015; Yildiz, 2018). In addition, researchers discovered that the affective and normative commitment constructs have a lot of overlap (Mercurio, 2015; Solinger et al., 2008). Solinger et al. (2008) mentioned substantial correlations between normative and affective commitment in their meta-analysis, indicating a lack of discriminant validity. As a result, because of its high

reliability and validity as an organizational commitment component (Paek, 2015), many researchers in recent studies have concentrated entirely on affective commitment as the single indication of organizational commitment (Paek et al., 2015). The current study also, the study has paid attention to employees' affective organizational commitment.

Psychological capital: Luthans (2002) developed psychological capital as a basic construct based on the higher-order construct of Positive Organizational Behaviour (POB) with the rise of positive psychology. Positive organization behaviour is explained as "the analysis and application of positive human resource strengths and psychological abilities that can be tested, enhanced, and managed effectively to improve performance in the workplace today" (Luthans, 2002, p. 304). PsyCap differs from all other types of capital and it is concerned with the individual's potential for positive psychological growth (Luthans et al., 2007). PsyCap is characterized by "(1) persevering toward goals and when necessary, redirecting paths to goals (hope) to succeed; (2) having confidence (efficacy) to take on and put in the necessary effort to succeed at challenging tasks; (3) when beset by problems and adversity, sustaining and bouncing back and even beyond (resilience) to attain success and (4) making a positive attribution (optimism) about succeeding now and in the future" (Luthans & Youssef-Morgan, 2017, p. 340). Luthans and Youssef-Morgan (2017) described psychological capital and forwarded evidence as a positive approach. They have emphasized the significance of qualitative and mixed-method than quantitative methods, including experimental or longitudinal, to understand these mechanisms. Dawkinn et al. (2013) did an extensive analysis and evaluation of the PsyCap literary fiction and mentioned a few future directions for advanced PsyCap research; To confirm the structure of any of the PsyCap components and further examine their linkages with more trait-like conceptualizations and coping mechanisms, more theoretical underpinnings and analysis are required. According to Luthans et al. (2007), psychological capital demonstrates individual motivational predispositions that increase as a result of employee resources and is built up through investments in future gains (Anushi, Priyanath, & Tennakoon, 2022).

Work engagement: Work engagement is defined as "a positive, fulfilling, work-related state of mind characterized by vigor, dedication, and absorption" (Schaufeli & Bakker, 2003, page 4). Vigor represents energy to handle the work; dedication refers highly involved in the job and absorption refers highly attach to the work and it is difficult to separate the worker from work (Borgani et al., 2018; Schaufeli & Bakker, 2003). In addition, engagement is a more permanent and widespread affective-cognitive state that is not focused on any single object, event, individual, or behaviour (Kotze, 2017; Truss et al., 2013; Schaufeli & Bakker, 2003).

One of the main scales is Utrecht Work Engagement (UWE) which was developed by Schaufeli and Bakker (2003). This scale was developed with 17 items to evaluate an employee's level of work engagement across three subdimensions: vigour, dedication, and absorption.

Madhyvadany and Panboli (2019) conducted a literature review on employee engagement, and researchers indicated that future research needs to determine employee engagement generators. Besides, researchers suggested that the nature of a workable model incorporates the theoretical and practical implications of employee engagement. Individual employee engagement outcomes include satisfaction with the job, the performance of the job, job involvement, and commitment to the organization (Bakker & Demerouti, 2007). Based on the empirical literature review, the researcher argues that there is less of a research study / no study tested the mediator impact of work engagement and the connection between psychological capital and affective organizational commitment (Paek et al., 2015).

HYPOTHESES

PsyCap and affective organizational commitment: Numerous scholars revealed a strong and statistically significant relationship between PsyCap and employees' commitment. Sweetmen and Luthans (2010) describe psychological capital as a resource that increased knowledge and understanding of work-related outcomes. Paek et al. (2015) conducted a research study by selecting a sample of hotel employees and revealed that psychological capital directly and positively predicts affective commitment. Yildiz (2018) has pointed out that enhancing employees' psychological capital directly affects their organizational commitment. The study results indicated that psychological capital impacts all three types of commitment (including affective organizational commitment) positively. Nefei (2015) investigated the influence of psychological capital on workers' attitudes and work outcomes at Egyptian teaching hospitals. In addition to the empirical evidence, the theoretical background of COR and the JD-R model also provides the necessary foundation to explain the effect of PsyCap on affective organizational commitment. Thus, the following hypothesis is proposed:

H_1: There is a positive impact of psychological on affective organizational commitment among employees of the handloom industry in Sri Lanka.

PsyCap and work engagement: Prior literature witnessed psychological capital was linked with positive emotions that, in turn, were related to engagement positively. De wall and Pierre (2013) investigated the causal relationship and temporal order through longitudinal data in South Africa and they revealed the positive impact of psychological capital on work engagement. Kotze (2017) found that psychological capital contributed to work engagement through two dimensions such as vigor and dedication. Movahedil et al. (2018) conducted a research study on the Luthans' psychological program's effectiveness on the engagement of nursing staff. The result revealed that psychological training programs impact increasing the level of job engagement of the nursing staff. Several scholars (Bogani et al., 2017; Luthans, 2007; Pieces & Bashaff, 2018) state that there is a substantial association between psychological capital and work engagement. Along with the actual data, the theoretical underpinnings of COR and the JD-R model offer the support needed to understand how PsyCap affects work engagement. Accordingly, the study proposes:

H_2: There is a positive impact of psychological capital on employees' work engagement among employees of the handloom industry in Sri Lanka.

Work engagement and affective organizational commitment: Prior literature witnessed work engagement predicts affective organizational commitment; Jena (2017) examined the role of employee voice on work engagement and affective organizational commitment with 301

executive employees in the service sector in India. Work engagement was found to be a strong predictor of affective organizational commitment. Alam (2017) came to the same conclusion as the previous study; work engagement was found to be a strong predictor of affective organizational commitment. According to Zhao and Zhao (2017), job engagement is inversely associated with turnover intentions with affective commitment serving as an influence. The theoretical foundations of COR and the JD-R model, along provide the support required to comprehend how work engagement affects employees 'affective organizational commitment. Accordingly, the study predicts that;

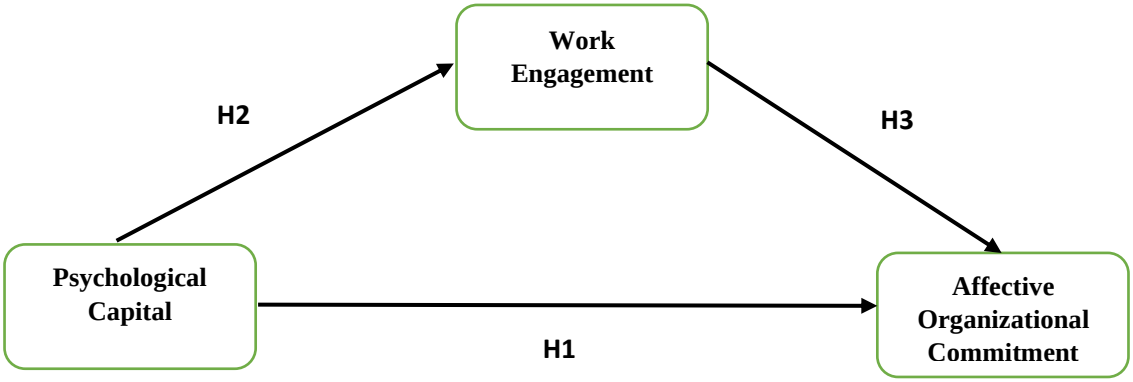
H_3: There is a positive impact of employees' work engagement on employees' affective commitment among employees of the handloom industry in Sri Lanka.

Mediator role of work engagement: The researchers established a link between the COR theory and the JD-R model and two theories used as theoretical lenses to examine contemporary research problems in the current study. At the same time, the researcher strongly argues that there is a mediator role of work engagement between job resources and personal resources (psychological capital) and affective organizational commitment, based on the JD-R model explanation and other available empirical evidence (Kim et al., 2019; Paek et al., 2015). Bakker and Leiter (2010) claim that the mediator role of work engagement shows on the outcome of job performance and personal resources of the JD-R model. Paek et al. (2015) mention that work engagement demonstrates a partial mediation role between psychological capital and positive employee morale such as employees' work satisfaction and affective organizational commitment. According to the previous study's findings (Karatape & Karadase, 2015; Kim et al., 2019;) the study's conclusion is that work engagement can operate its role as a mediator of psychological capital and affective organizational commitment. Based on theoretical and empirical evidence, the study proposed:

H_4: Work engagement mediates the relationship between psychological capital and affective organizational commitment among employees of the handloom industry in Sri Lanka.

According to the research objectives, research is expected to find out the effect of psychological capital on work engagement and affective organizational commitment of employees of the Handloom industries in Sri Lanka. The study expands the literature on relevance by contextualizing it in one of Sri Lanka's indigenous sectors of the Handloom industry based on the Conservation of Resources (COR) Theory and the Job Demand-Resources (JD-R) Theory. Therefore, Affective Organizational Commitment is considered the dependent variable, while Work Engagement is the mediating variable between Affective Organizational Commitment and the Psychological Capital of the employees in the Handloom industry in Sri Lanka. According to the conceptual framework, four hypothetical relationships can be established between these variables, and Figure 01 depicts these associations among variables.

Figure 1: Conceptual Framework



Source: Author Compilation, 2022.

METHODOLOGY

The current study used a quantitative approach to test the hypothetical relationship among variables. The unit analysis is employees in the Handloom sector and 370 employees were selected from the population of 8000 employees by following the 2nd thumb rule of Ringle et al. (2012) to satisfy the minimum sample size needed for analyzing. Self-administered questionnaire technique was used as a tool in this research to gather primary data and contact made with the handloom industry employees who were asked if they would support the research. The questionnaire included 55 elements and consisted of four sections: Demographic information of employees, Psychological Capital, Work Engagement, and Affective Organizational Commitment. Further, questionnaire items are translated into Sinhala language and a pre-test was conducted.

In this study, PsyCap is made up of a summation score of the four dimensions of hope, efficacy, resilience, and optimism (Luthans et al., 2007). Employee work engagement also includes vigor, absorption, and dedication (Schaufeli et al., 2002). The summing score of the aforementioned three dimensions is used to calculate work engagement in this study (Fouche et al., 2017). Other studies have used similar approaches for producing a composite score for PsyCap and employee work engagement (Fouche et al., 2017; Paek et al., 2015). Eight questions were taken from Allen and Mayer's (1991) affective organizational commitment measure to quantify affective organizational commitment. A sample item from the affective subscale is "the organization has a great deal of personal meaning for me". Schaufeli and Bakker (2003) used 17 questions to assess three types of work engagement. A sample item from the work engagement scale is "I am enthusiastic about my job". Luthans et al. (2007) developed a set of 24 questions to assess psychological capital's four components. All the items

were framed on a seven-point Likert scale, responses range from 1 to 7, with 1 indicating strong disagreement and 7 indicating strong agreement. A sample item from the PsyCap is “Being fairly effective at work”.

Data is analyzed using the Partial Least Squares Structural Equation Model with the support of smartPLS. The author assessed reflective constructs to determine the model's reliability and validity. The indicator reliability value was determined by each of the outer loadings and outer loading should be 0.7 or above. The t-statistic should be greater than 1.96 for each indicator, the path coefficient was significant in a two-tail t-test with a 95% significance threshold. Cronbach's alpha and composite reliability should be 0.7 or above for a construct's internal consistency reliability. The average variance extracted (AVE) was used to test the convergent validity and an AVE value should be larger than 0.5 for each latent variable (Hair et al., 2014). Outer model weights were significant for formative indicators. The efficiency of the model has been examined by multicollinearity issues, R^2, effect size (f^2), and predictive relevance (Q^2).

RESULTS AND DISCUSSION

A total of 361 questionnaires were returned from 370 that were distributed (the response rate was 97%). 83 percent of the sample respondents are female and 17 percent are male. The age group was divided into four categories. The majority of the people in the sample are between the ages of 40 and 49 (42%). The minimum number of responders was 18-29 years old (7%). Tenure of 10 to 15 years was represented by 36% of the total respondents. Only 12% of responders have less than three years of experience. GCE O/L qualification can be identified as the educational level of the greatest number of respondents (36% of the sample). Diploma holders made up a smaller percentage of the respondents (4%).

SPSS 21.0 was used to calculate the mean, standard deviation, and standard error for all of the constructs. The respondents' inclination to consistently endorse the higher ends of the item was reflected in the mean values of all the constructs (values over 4.00). All of the standard deviation values were less than one, indicating that the data set was less cluttered. Smart PLS (SEM) was utilized to evaluate the suggested framework using Smart PLS 3.0 (Ringle et al., 2012) and two sub-models as Outer model (measurement model) and the inner model (structural model) were used to analyze the data. First, the measurement model was used to examine the quality of the measures, and then the structural model was utilized to test the hypotheses. The standard error and t-statistics of the path coefficients were calculated using a bootstrapping approach with 5000 resamples. At the 0.05 significance level, the crucial t-statistic for a two-tailed test is 1.96.

The author assessed reflective constructs to determine the model's reliability and validity. The indicator reliability value was determined by each of the outer loadings. The researcher has ensured indicator reliability, the outer loading 0.7 or higher except few indicators. They were two items of affective organizational commitment, one item of absorption dimension of work engagement, and three items of optimism dimension of psychological capital. After the researcher removed the indicators which have less indicator reliability value, the t-statistic is greater than 1.96 for each indicator, the path coefficient was significant in a two-tail t-test with a 95% significance threshold. Cronbach’s alpha and composite reliability were 0.7 or above for a construct’s internal consistency reliability. The average variance extracted (AVE) was used to test the convergent validity and an AVE value was larger than 0.5 for each latent variable (Hair et al., 2014). The result of the measurement model estimation can be presented in Table 1.

Table 1: Reliability and Validity of First-Order Constructs

		Loading	T Statistic	CR	Cro. Alpha	AVE
1	**Vigor (VIGOR)**			**0.947**	**0.930**	**0.893**
	At my work, I feel bursting with energy	0.930	137.78			
	At my job, I feel strong and vigorous	0.946	190.05			
	When I get up in the morning, I feel like going to work	0.702	17.52			
	I can continue working for very long periods at a time	0.903	91.91			
	At my job, I am very resilient, mentally	0.920	118.15			
	At my work I always persevere, even when things do not go well	0.920	108.23			
3.	**Dedication (DEDI)**			**0.957**	**0.943**	**0.917**
	I find the work that I do full of meaning and purpose	0.912	86.968			
	I am enthusiastic about my job	0.938	113.152			
	My job inspires me	0.924	108.1081			
	I am proud on the work that I do	0.908	94.545			
	To me, my job is challenging	0.833	38.533			
3	**Absorption (ABSO)**			**0.958**	**0.946**	**0.881**
	When I am working, I forget everything else around me	0.894	77.181			
	I feel happy when I am working intensely	0.833	44.188			
	I am immersed in my work	0.881	75.787			
	I get carried away when I’m working	0.899	83.160			
	It is difficult to detach myself from my job	0.911	95.206			

4	**Hope (HOPE)**			**0.949**	**0.935**	**0.855**
	If I should find myself in a jam at work, I think of many ways to get out of it.	0.816	35.606			
	At the present time, I am energetically pursuing my work goals.	0.860	48.555			
	There are lots of ways around any problem.	0.877	80.434			
	Right now I see myself as being pretty successful at work	0.872	61.299			
	I can think of many ways to reach my current work goals.	0.881	77.931			
	At this time, I am meeting the work goals that I have set for myself.	0.906	112.026			
5	**Efficacy (EFFI)**			**0.937**	**0.920**	**0.865**
	I feel confident analysing a long-term problem to find a solution.	0.849	58.846			
	I feel confident representing my work area in meetings with management.	0.837	34.536			
	I feel confident contributing to discussions about the company strategy.	0.782	28.221			
	I feel confident helping to set targets/goals in my work area.	0.910	118.205			
	I feel confident contacting people outside the company (suppliers, customers) to discuss problems.	0.836	46.219			
	I feel confident presenting information to a group of colleagues.	0.852	57.302			
6	**Resilience (RESI)**			**0.936**	**0.914**	**0.795**
	I usually manage difficulties one way or another at work.	0.830	34.783			
	I can be “on my own”, so to speak, at work if I have to	0.823	35.103			
	I usually take stressful things at work in stride	0.885	88.288			
	I can get through difficult times at work because I’ve experienced difficulty before.	0.896	93.122			
	I feel I can handle many things at a time at this job	0.878	61.673			
7	**Optimism (OPTI)**			**0.929**	**0.885**	**0.813**
	I always look on the bright side of things regarding my job.	0.913	80.981			
	I’m optimistic about what will happen to me in the future as it pertains to work.	0.917	98.000			
	I approach this job as if “every cloud has a silver lining”.	0.873	50.575			

Source: Survey Data, 2021.

Discriminant validity refers to how well a measure measures (or discriminates against) another construct. To achieve the criteria, each construct’s AVE must be bigger than the highest square correlation with any other construct. According to Fornell and Larcker (1981), discriminant validity can be demonstrated if the square root of AVE in each latent variable is greater than other correlation values among the latent variables. Table 2 shows the correlations between the latent variables and the square root of AVE on the diagonal.

Table 2: Fornell and Larcker criterion for checking discriminate validity

	ABSO	**DEDI**	**VIGOR**	**EFFI**	**HOPE**	**OPTI**	**RESI**
ABSO	**0.938**						
DEDI	0.913	**0.957**					
VIGOR	0.899	0.934	**0.944**				
EFFI	0.823	0.804	0.825	**0.930**			
HOPE	0.884	0.893	0.912	0.818	**0.924**		
OPTI	0.841	0.807	0.834	0.760	0.831	**0.901**	
RESI	0.879	0.854	0.881	0.867	0.881	0.887	**0.891**

Source: Survey Data, 2021.

The second-order constructs were developed using the latent variable scores of the first-order constructs. Indicator reliability of three endogenous latent variables [i.e., Affective Organizational Commitment (AOC), Psychological Capital (PsyCap), and Work Engagement (WE)] at the second-order level in the hierarchical model was evaluated. All path coefficients (standardized factor loadings) were well above the threshold value of 0.7 (see table 3). All the t-statistics were significant at a 0.05 significance level. Hence, the results show strong evidence for the indicator reliability of the second-order constructs. Table 3 further displays that Cronbach’s α was higher than the required value of 0.7 and composite reliability was higher than the recommended 0.7 value. With a higher level of Cronbach’s α and composite reliability, the second-order constructs were developed in a reliable manner. AVE for each construct was higher than the required value of 0.5. The results confirm the convergent validity of the second-order construct. The discriminate

validity of the second-order constructs is presented in table 4 which shows that none of the inter-construct correlation values was above the square root of the AVE and satisfied the criterion of the discriminant validity of the second-order constructs.

Table 3: Analysis of the Second-Order Constructs

		Loading	T Statistic	CR	Cro. Alpha	AVE
1	**Affective Organizational Commitment (AOC)**			**0.964**	**0.956**	**0.818**
	I would be very happy to spend the rest of my career with this organization.	0.898	203.06			
	I enjoy discussing my organization with people outside it.	0.894	63.55			
	I think that I could not easily become as attached to another organization as I am to this one.	0.878	66.63			
	I feel like 'part of the family' at my organization.	0.910	58.87			
	I feel 'emotionally attached' to this organization.	0.928	84.94			
	This organization has a great deal of personal meaning for me.	0.919	114.56			
3.	**Psychological Capital (PsyCap)**			**0.967**	**0.955**	**0.881**
	Efficacy	0.915	91.33			
	Hope	0.942	145.11			
	Optimism	0.927	106.87			
	Resilience	0.969	296.54			
3	**Work Engagement (WE)**			**0.981**	**0.970**	**0.944**
	Absorption	0.965	203.06			
	Dedication	0.977	322.23			
	Vigor	0.973	329.77			

Source: Survey Data, 2021.

Table 4: Discriminate validity of Second-order constructs

	AOC	PsyCap	WE
AOC	0.905		
PsyCap	0.901	0.939	
WE	0.876	0.937	0.971

Source: Survey Data, 2021.

Assessment of the structural model: The ability of a structural equation model to forecast its dependent variable was assessed by applying the smart PLS-SEM method. PsyCap is a higher-order construct that has four dimensions: hope, efficacy, resilience, and optimism (Luthans et al., 2004). The results of the multicollinearity tests using variance inflation factors were found to be within the threshold, suggesting that multicollinearity was not an issue in the analysis. The variance inflation factors were within the threshold according to the results of the multicollinearity tests, suggesting that multicollinearity was not an issue in the analysis. Table 5 compiles the findings of the structural model evaluation. The results showed that PsyCap was a favorable predictor of employees' work engagement and affective organizational commitment. Results also showed that employees' affective organizational commitment was positively impacted by their level of work engagement. Table 5 present the path coefficient and t statistic and they're significant among constructs of the above figures.

Table 5: Path coefficient and significance among constructs

Hypothesis	Relationship	Beta	t-statistic	Decision
H_1	Psychological capital - Affective commitment	0.737	10.492	Supported
H_2	Psychological capital -Work engagement	0.937	117.366	Supported
H_3	Work engagement- Affective commitment	0.185	2.566	Supported

Source: Survey Data, 2021

Based on the R^2, according to the criterion of Chin (1998), the model can be considered to be moderately fit because independent variables have explanatory power above the moderate level. Work engagement represents the highest variance (R^2= 0.820 or 82 percent) followed by affective commitment (R^2 = 0. 665 or 66.5 percent).

The result in table 6 displays the mediator role of work engagement between psychological capital and affective organizational commitment -H_4, (β = 0.173, p < 0.011). Furthermore, the hypothesis' confidence ranges contained zero. This is complementary (or full) mediation, according to Zhao et al. (2010), because the results demonstrate a significant indirect effect via the mediator variable. Table 6 presents the result of the mediation analysis.

Table 6 Mediation test result

Hypothesis	Relationship	Indirect Effect (β)	SE	T -value	P – value	95% CL	Decision
H_4	PsyCap-WE-AOC	0.173	0.068	2.549	0.011	[0.038-0.304]	Complementary

Source: Survey Data, 2021

Discussion: Based on the COR theory (Hobfoll, 2018) and JD-R (Bakker & Demerouti, 2008) models, the findings showed a favourable and substantial association between PsyCap and affective organizational commitment. Numerous scholars (Cetin, 2011; Nafei, 2015; Shahoo & Sia, 2015) findings were aligned with current research findings. The presence of high psychological capital in Handloom sector employees develops positive attitudes and performs efficiently at their workplace. Psychological capital influences the emotions of employees toward their workplace. Positive emotions of the Handloom employees towards the workplace can enhance affective commitment.

Based on the COR theory (Hobfoll, 2018) and JD-R (Bakker & Demerouti, 2008) model, the findings demonstrated a significant positive association between psychological capital and employee work engagement. It aligns with prior research that psychological capital is a critical predictor of employee engagement (Kotze, 2018; Paek et al,2015; Thompson et al., 2015). Scholars (Sweetman & Luthans, 2010) theoretically propose that the relationship between PsyCap and work engagement causes positive emotion. Paek et al. (2015) evaluated work engagement as a crucial component in a work context heavily influenced by psychological capital. The result of the current study shows that work engagement is more heavily linked to psychological capital, confirming the above notions. The discussion on psychological capital for Handloom weavers was appropriate and pertinent, considering the diverse stages involved in Handloom weaving to enhance their level of work engagement. Handloom weavers with psychological capital, on the other hand, would be indispensable because they would remain enthusiastic about their work no matter how long, harsh, or stressful it was. As a result, such enthusiasm for work would be translated into engagement, displaying vigor, dedication, and absorption. As a result, the significance of psychological capital within the role of Handloom workers was demonstrated, suggesting that sustaining engagement in the area goes beyond the feeling of their resources.

The findings demonstrated a significant positive association between work engagement and affective organizational commitment, which was supported by the COR theory (Hobfoll, 2018) and JD-R model explanations (Bakker & Demerouti, 2008). To the best of the author's knowledge, scholarly empirical research on the impact of work engagement on affective organizational commitment is few, with only a few studies examining these constructs (Jena et al., 2017; Alarm, 2017) and revealing the significant positive relationship between work engagement and affective organizational commitment. Current study findings are aggreged with the above findings and results show the positive influence of employees' work engagement to affective organizational commitment to the workplace. The weaving centres can obtain many benefits from the above circumstance and employees are ready to stay in the same workplace for a long time period.

It is plausible to believe that psychological capital is more strongly linked to work engagement than affective organizational commitment based on the findings of the mediator analysis. This hypothesis result corresponds to a smaller number of studies that have identified employee work engagement as a mediator (Frtria & Ummah, 2019; Paek et al., 2015). Paek et al. (2015) examined the impact of psychological capital on employee morale through work engagement. Employee morale was explained under two components such as affective organizational commitment and job satisfaction.

These findings revealed that work engagement is defined as an employee's positive work behavior that leads to boosting their sense of attachment to their workplace. When Handloom weavers are involved in their occupation with their psychological capital, their level of work engagement rises, and their loyalty to the weaving Centre rises.

CONCLUSION

This paper attempts to examine the mediator role of work engagement between PsyCap and employees' affective organizational commitment incorporating the selected construct through the JD-R model and COR theory. The findings of the study, work engagement serves as a mediator between psychological capital and affective organizational commitment. When the Handloom workers perceive and apply their PsyCap as their resources, they will support to broaden the work engagement and build on it, consequently translating to the desired organizational outcomes such as employees' affective organizational commitment. In the context of this work, it enhanced the employee's affective commitment to their workplace through the expansion of employee work engagement. The above mediator relationship of work engagement between PsyCap and employees' affective organizational commitment has been found in a small number of research investigations. As a result, this research adds to proving the above holistic relationship among selected variables and provides new insight for organizations looking to increase their effectiveness by boosting their employees' psychological capital.

The current study's findings have wide-ranging ramifications and are hugely valuable to businesses, especially those in the industrial sector. This may lead to a better understanding of the association among PsyCap, work engagement, and affective organizational commitment. Further, an academic can reveal the applicability of the western concept of employees' PsyCap and work engagement and affective organizational commitment in a developing country such as Sri Lanka because Sri Lankan economic, business, and human resources environment are too different from western countries. The provincial councils represent the central government involved in policymaking, assisting the development process, providing training, design development, and market promotion for the Handloom industry. Therefore, the provincial councils can use this study's findings to identify the significance of psychological capital and work engagement and how they are effectively utilized to enhance the employee's affective

organizational commitment to the weaving centres of the Handloom sector in Sri Lanka.

The current study, like any other scientific endeavour, has some limitations. As a result, any interpretation of the findings of this study should be made with these limitations in consideration. The current study was focused on weaving centres of the Handloom sector in Sri Lanka, and the occupational features differ from other sectors. Due to the specific terms of the Handloom sector, less ability to generalize the research findings with other sectors of the economy. The current study collects the data at a single point in time and does not collect the employee' responses at a two-time lag. The current study examines relationships among dimensions of psychological capital, work engagement, and affective organizational commitment. Future research can identify possible mediating variables that could aid in uncovering the discrete-level linkages between psychological capital and employee affective organizational commitment.

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