Chapter 13
The Positive Face of Human Capital, Psychological Capital, and Well-Being

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ABSTRACT

This chapter analyzes the relation between Positive Psychology, Psychological Capital, and Well-Being. Positive psychology pursues information that flourishes on life. Positive psychology improves the quality of life and investigates the paths towards positive individual characteristics and developing communities through actions that increase well-being and prevents discomfort in situations where life is vicious and meaningless. Psychological capital is associated with many positive results for employees and the organization and promises to increase productivity in today's workplace. In this chapter, the transformation of positive psychology into the concept of psychological capital is explained in the field of organizational behavior, and the state of well-being and psychological capital are examined from a theoretical perspective. Besides, it is explained how psychological capital improves employee wellbeing. Psychological capital and well-being are very effective concepts on employee workplace performance, and there are strong relationships between them.

INTRODUCTION

Today's organizations need resources to differentiate themselves from other organizations and provide a sustainable competitive advantage in an increasingly competitive environment. So, traditional approaches no longer suffice in creating sustainable sources of distinct advantage (Kraaijenbrink, Spender, & Groen, 2010). The resources and capabilities of an organization include all the financial, physical, human, and organizational assets that an organization uses to develop, produce, and deliver products or services to its customers. Economic resources include debt, equity, retained earnings, and similar resources. Physical resources are machines, production facilities, and buildings. Human resources include all experience,

knowledge, judgment, risk-taking, and wisdom of individuals associated with the organization. Organizational resources include the firm's formal reporting structure, open management control systems, and compensation policies, as well as the history, relationships, trust, and organizational culture that are the characteristics of groups of people associated in a firm (Barney, 1995: 50). The most crucial resource in the field of organizational management is human capital and Unlike traditional financial capital and tangible assets, social capital, positive psychological capital can be developed at relatively little monetary cost (Luthans et al., 2004).

Organizations derive their competitive advantage from organizational culture, history, and routines that are difficult to emulate, beyond financial or strategic tools. Today, physical and organizational resources can be copied and imitated by benchmarking and "me too" strategies. Information technologies, which have been the primary source of competitive advantage until today, have reached the same level in almost all companies with decreasing costs and reverse engineering. These developments indicate that traditional sources of competitive advantage are no longer sustainable (Luthans & Youssef, 2004).

Psychology has long been fascinated by the dark side of human existence. During this period, psychology students were given necessary information about human weaknesses, and the pathology model attracted the attention of young, creative minds that shaped the academic and applied branches of psychology. In this process, negative psychology was accepted and studied, and until the last half of the 20th century, psychology made a limited contribution to understanding human virtues (Snyder & McCullough, 2000).

The American psychologist Martin Seligman is seen as the founder of today's positive psychology movement. A few years after Seligman were elected President of the American Psychological Association (APA); in the early 2000s, the APA published a special issue on positive psychology. Within five years of the publication of this special issue, a movement called the positive psychology movement emerged. Along with this trend, many publications, special issues, and books on positive psychology have been published. Conferences bringing together researchers from many parts of the world have been organized, and many aids and awards have been created to facilitate the work of young researchers. Positive psychology courses started to be given in universities and high schools. Those interested in positive psychology have been amazed at how quickly this train is progressing (Gable & Haidt, 2005). Seligman and Csikszentmihalyi (2000) defined the goal of positive psychology as to focus on psychology, to stimulate a change that focuses on creating positive qualities rather than just repairing the worst things in life.

Positive psychology is a discipline that focuses on developing positive traits of individuals, having positive experiences, and preserving their mental health through programs that increase their subjective well-being. Positive psychology has attracted the attention of researchers since the 2000s and has become a positive psychology trend. Under the leadership of Seligman, the well-known research-oriented core group such as Ed Diener, Christopher Peterson, Rich Snyder tries to direct the goal of positive psychologist psychology to focus on the strengths rather than focusing on weaknesses, improving and enhancing well-being instead of focusing on weaknesses in humans (Luthans et al., 2007b) . Positive psychology aims to improve the quality of life, to investigate paths to positive individuals and developing communities through actions that improve well-being, and to prevent discomfort in situations where life is barren and meaningless (Seligman & Csikszentmihalyi, 2000).

Positive psychology has evolved into two interrelated movements that are positive and power-based management practices in the workplace. The first is Positive Organizational Science (POS) (Cameron et al., 2003; Cameron & Caza, 2004), which is based on the efforts of University of Michigan's academics to maintain a positively focused presence that can be measured, developed and managed to improve performance in the workplace in crisis and adverse conditions. The second movement is the Positive

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