

# Relationship Between Psychological Capital, Well-being and Performance Among Employees of SMEs in Guizhou, China.

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**Abstract:** In this paper, 30 small and medium-sized enterprises (SMEs) in Guizhou were selected to study the happiness, psychological capital, and performance of their employees. It is found that the existence of difficulties in SMEs, the risk of employee unemployment and epidemics will change the level of employees' psychological capital, happiness, and also further affect the performance of enterprises. In this regard, after analysing and discussing, this paper argues that enterprises should pay attention to the cultivation of employees' psychological capital, and reasonably balance the management of work pressure, working hours and other issues affecting employees' occupational health and emotional exhaustion. Improving the overall psychological capital of employees makes it easier for them to alleviate the negative pressure at work, thus reducing the impact on work efficiency and also increasing the stability of employees.

**Keywords:** Happiness; Psychological capital

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## 1. Foreword

Small and medium-sized enterprises (SMEs) play a key role in employment and job creation in China's economic development. The number of employees working in these enterprises is large, and many studies have shown that there is a positive correlation between employee happiness and employee performance. Employees with high levels of well-being are usually more motivated and engaged in their work and show better performance. Psychological capital refers to the positive psychological resources an individual possesses to cope with stress and challenges in work and life, including self-efficacy, optimism, hope and resilience. Studying their happiness, psychological capital and performance is therefore important for improving overall economic prosperity and social well-being.

## 2. Purpose of the study

The purpose of this study is based on the following points:

First, to analyse the attributes of work happiness and performance of employees in SMEs. Psychological capital is a relatively complex concept, as changes in happiness are easily stimulated by individual external environments, resulting in a greater variety of psychological capital in influencing changes in happiness. Based on existing research, different happiness indices have different effects on job performance. Therefore, it is hoped that with the help of this study to analyse the change analysis of SME employees' performance affected by happiness.

Secondly, to explore the role played by psychological capital in the effect of happiness on job performance of employees in SMEs. Although the research related to happiness and performance has achieved quite rich results, there are relatively few studies with SME employees as the research object. SME employees are a controversial group in the current society, and many characteristics are unique to SME employees, such as long-term resistance to stress, indifferent attitude, and involution. Based on such a specificity, the role played by psychological capital in the impact of job stress on job performance is analysed for SME employees.

Small and medium-sized enterprises (SMEs) in Guizhou: Guizhou is a province in southwestern China known for its diverse landscapes and rich natural resources. Small and medium-sized enterprises (SMEs) play a crucial role in the region's economic devel-

opment, contributing significantly to employment, innovation and economic growth.

The survey learnt that currently the following characteristics exist among the employees of SMEs in Guizhou:

(1) Entrepreneurs present overall higher education and employees work longer hours. Possible reasons are: with the growth of the age of employees, employees need to bear the burden of the family, the prices of goods and housing prices are soaring, resulting in its economic pressure is also increasing, SMEs are far less risk-resistant than large-scale enterprises, business difficulties, the sense of anxiety caused by the risk of unemployment of the staff are all the reasons affecting the well-being of the staff.

(2) Some of the dimensions in psychological capital play a mediating role in some of the dimensions of job stress and occupational well-being. Psychological capital is regarded as an effective psychological resource in positive psychology, which can alleviate the emotional exhaustion and occupational health problems of SMEs' employee groups to a certain extent. All dimensions of job stress can have a serious impact on emotional exhaustion and occupational health, but psychological capital can play an effective moderating role. Superior psychological capital can stimulate the work motivation of employees in SMEs, thus enhancing programmers' occupational well-being as a whole. When forced by the pressure of market competition and unable to control the stressor well, psychological capital can be regulated to enhance the level of programmers' occupational well-being.

(3) Affected by the epidemic factor, the overall revenue of the vast majority of small and medium-sized enterprises (SMEs) has been negatively affected, and more than half of the enterprises are unable to operate normally or even pay wages on time, and some of the SMEs have even declared bankruptcy. All these will affect the staff's confidence in the enterprise, and further affect the staff's sense of well-being. However, a phenomenon worth noting in the survey is that most of the employees of companies that recovered after the epidemic maintained their original confidence and sense of well-being, possibly due to having survived the wave of layoffs from the epidemic as well as having a high level of psychological capital.

### **3. Impact Evaluation**

The subjects of this study are employees of small and medium-sized enterprises (SMEs) in Guizhou, and psychological capital and its dimensions (self-efficacy, resilience, hope, and optimism) have a significant positive effect on job performance (task performance and peripheral performance). As the level of psychological capital increases, SME employees tend to show a high level of competence in complex or difficult tasks and can complete the tasks smoothly and efficiently, thus improving work efficiency, which is also in line with the viewpoints put forward by the Job Requirements-Job Resources Model. According to the Job Requirements-Job Resources Model's path process of -motivation-process. Psychological capital is a kind of work resources, with motivational potential, a strong promotion of employees to put more energy into the work, thus improving the high quality of service for the enterprise, and improve the overall performance of the work.

From the results of the correlation analysis of psychological capital and occupational well-being dimensions, psychological capital can basically predict the occupational well-being of enterprise employees, and superior psychological capital can generally improve the employees' feelings of occupational well-being. However, psychological capital is difficult to predict the dimension of occupational health in occupational well-being, and employees of different genders, ages, and working years have different degrees of occupational health problems, which is determined by the actual situation. Need to deal with more work, sitting time is also much longer than other large enterprises, which will inevitably cause cervical spine, lumbar spine and other physiological illnesses, coupled with a long period of intellectual output will also lead to serious hair loss phenomenon. This series of problems are difficult for psychological capital to regulate and predict. In summary, among the suggestions for improving occupational well-being, occupational health needs to improve the reality of the situation, such as reducing sitting time. In addition to this, occupational well-being of employees can be improved by regulating the level of psychological capital. Psychological capital can be considered as an important factor influencing performance development. Business managers should be in a position to make effective suggestions to improve the performance of new generation employees from the psychological capital perspective. Individual employees with high levels of psychological capital are more likely to alleviate negative stress at work, thus reducing the impact on work efficiency.

### **4. Recommendations and outlook**

First, develop new recruitment programmes. Psychological capital refers to an individual characteristic similar to a state, which can be known through assessment. The HR department is the gateway to the enterprise and is responsible for recruiting talents, so it is very important for the HR department to formulate the recruitment programme, which is related to the talent level of the enterprise. Psychological capital is an important factor affecting work performance, the enterprise human resources department can consider the psychological capital level assessment into the staff recruitment process, and set up as an important process, in the screening of candidates in the process of selecting employees with high psychological capital level, from the root to improve the psychological capital

level of the new generation of employees.

Second, training on psychological capital. Psychological capital is similar to individual characteristics and is not static. Each individual's psychological capital level is affected by other factors, such as organisational factors and individual factors. Therefore, it is important that HR departments pay attention to training the psychological capital of new generations of employees. Through training, the psychological capital of new generation employees can be induced and developed. It may be too extravagant for managers of SMEs to invite psychologists to their enterprises to hold courses on psychological capital theory on a regular basis. However, if the conditions allow, the human resources department of the enterprise can share more psychological capital courses on the Internet to enhance the staff. Recently, there have been frequent incidents of "chronic disease" and "collapse" of employees, and many experts believe that these incidents have something to do with the psychological endurance of employees. Enterprises are the work units of employees, from the perspective of long-term development, enterprises should take the initiative to observe the work status of employees as far as possible, and should give psychological counselling to employees in poor condition.

Third, pay attention to employees' personal problems. Through differentiation analysis found that the level of psychological capital of single employees is lower than that of married new generation employees. Personal problems have become a big problem for many single young people, and to a certain extent, it has caused trouble to the life of young people. Many young employees do not have a family due to busy work or other problems, and they are often urged by their friends and parents, which will affect their psychological capital over time. The organisational department of an enterprise should pay more attention to single people. Once the personal problem is solved, to a large extent, also let the staff will think that the company humane, everywhere for the sake of the staff, the stability of the staff will be greatly improved.

Fourth, pay attention to occupational health and emotional exhaustion problem management, staff overload may be in the short-term benefits look to meet the standards of the enterprise, but the enterprise should be viewed from a long-term perspective, in the long run will seriously damage the physical and mental health of the staff, the brain drain is too fast, affecting the overall effectiveness of the organisation's internal. Therefore, enterprises should formulate reasonable work objectives and specific implementation of the programme, downstream distribution of tasks to prioritize, not to excessively squeeze the staff's normal working hours, the project completion time must be irrevocable, according to the priorities of the work task, prioritize, prioritize, more flexible arrangements, to ensure that the staff's reasonable rest time.

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