

# Effects of psychological capital on employee turnover intentions:

## A study based on Hai Di Lao Hot Pot

**Baoyi Gu** (Graduate School of Management, Aichi Gakuin University, gby7404@yahoo.co.jp)

### Abstract

According to the statistics provided in “2014 Turnover and Salary Survey Report”, the average turnover rate in Chinese companies remains high at 16.3 %. In addition, the statistics in “2015 Food Industry Salary Management White Paper” show that the voluntary turnover rate in the Chinese food industry has increased to 35 %. Among these, younger employees have the highest turnover rate, reaching above 40 %. It is well known that high turnover rates have a negative impact on the operations of companies. Ensuring the stability of personnel and the successful adaption of employees to their positions is a crucial topic in human resource management for Chinese companies. “Our company has a comprehensive human resource management system and has been investing heavily in human capital development. However, we have not been able to reach the expected target performance; the turnover rate remains high and the employees lack enthusiasm for work.” For companies with such an issue in human resource management, motivations are provided for practical applications of the concept of psychological capital by analyzing the operation of a Chinese restaurant chain “Hai Di Lao Hot Pot” as a case study.

### Keywords

positive psychological, psychological capital, turnover intention, positive organizational behaviors, positive organizational studies

### 1. Background

This study is designed to analyze the main causes of employee turnover intentions in China’s catering industry.

Previously, the author analyzed the main causes of employee withdrawal behaviors in China’s manufacturing industry (Japanese Journal of Administrative Science, Vol. 28, No. 2). This paper studies the main causes of employee turnover intentions in China’s service industry.

In recent years, China’s catering industry has undergone tremendous changes and ushered in a new stage characterized by the diversity of investors and business types. Material procurement and meal preparation processes are increasingly standardized, management approaches are being optimized, and the service quality is significantly improving.

Despite its considerable improvement, China’s catering industry is still faced by many problems, compared with the catering industry in Japan or other developed countries. In particular, problems in human resources are noticeable: (1) the employee capability development system is not mature, (2) the incentive system is not closely linked with the evaluation system, and (3) employees have relatively lower qualities and high turnover rates. As a result of these problems, quality and services become instable and management costs stay at a high level.

The high turnover rate is a huge challenge faced by China’s catering industry. According to the White Paper on Remuneration Management in China’s Catering Industry in 2014, the voluntary turnover rate exceeded 35 %, higher than the rates in other industries. In particular, young employees’ turnover rate was over 40 %.

Such a high turnover rate causes the following problems to

enterprises: (1) training and recruitment costs are increasing; (2) quality degradation results in more guest complaints; (3) job-hopping by employees, especially managers, leads to the leakage of enterprises’ business secrets; (4) employee morale is low and corporate image is damaged; and (5) enterprises’ performance is adversely affected.

The employee turnover rate is the toughest problem and has not been addressed by most of China’s catering enterprises. The experience of Hai Di Lao Hot Pot is well worth drawing upon.

According to Harvard Business Review (Huang, 2009; 2011), the employee turnover rate of Hai Di Lao Hot Pot is less than 10 %. Maybe people outside the catering industry are not surprised at this figure, but those in the industry clearly know that such a low turnover rate is hardly reachable.

How does Hai Di Lao Hot Pot curb employee turnover causes and manage to reach a turnover rate of less than 10 %? To answer this question, this paper analyzes the main causes of employee turnover intentions with Hai Di Lao Hot Pot as an example.

### 2. Literature review

#### 2.1 Theoretical background of positive organizational behaviors (Psychological Capital)

Positive psychology was put forward by Seligman, president of the American Psychological Association (1998). Part of the recent research results were sorted out and summed up by Donaldson, Csikszentmihalyi and Nakamura (2011). In Japan, Simai (2006) systematically studied this issue; and in a collection of papers on positive psychology, Holike (2009) introduced the current situation and looked into the future of positive psychology.

Luthans (2002), former president of the Academy of Management, introduced the positive psychology at the organizational level, put forward the concept of “positive organizational behavior” (“POB”) and took organizational behaviors as a new research area. He defined POB as “the study and application of

positively oriented human resource strengths and psychological capacities that can be measured, developed, and effectively managed for performance improvement in today's workplace." (Luthans, 2002) Later, "psychological capital" was advocated and established as one of the core concepts of organizational behaviors. Avey, Luthans & Jensen (2005) defined "psychological capital" as "an individual's positive psychological state of development".

After Luthans (2002) listed the examples of POB such as self-efficacy (Bandura, 1977), hope, optimism, subjective well-being and emotional intelligence (Goleman, 1996), he determined the 4 components of psychological capital: self-efficacy, optimism, hope and resilience. Some Japanese scholars also pointed out the importance of the introduction of positive psychology at the organizational level (Munakata et al., 2008).

## 2.2 Definition and Characteristics of Psychological Capital

Referencing to the viewpoints of Luthans and Youssef (2007), this paper provides a more detailed definition of "psychological capital":

"Psychological capital is an individual's positive psychological state of development characterized by self-efficacy, optimism, hope and resilience."

In terms of the relationship between psychological capital and the 4 components, Avey et al. (2009) believe that "psychological capital is made up of 4 components and it can better predict employee performance and employee satisfaction than the 4 single components". They deem "psychological capital" as a concept encompassing the 4 components. This viewpoint is followed in this paper.

Based on the opinions of Luthans and Youssef (2007), self-efficacy, optimism, hope and resilience are defined as follows:

- Self-efficacy: accepting challenging tasks and ensuring the success by making necessary efforts.
- Optimism: maintaining the goal and if necessary, adjusting the ways to achieve the goal.
- Hope: the attributional style characterized by the positive expectation of one's present and future successes.
- Resilience: the ability to overcome adversities and difficulties.

## 2.3 Literature review on turnover

It is generally believed that there are two types of processes when employees think about job-hopping: one is the emotional process and the other is the rational process. Brown (2013) believes that the former is a habitual unconscious process accompanied by experience, and the latter is a conscious process involving rational thinking and reasoning. One example of the latter is the process described by Adams (1965) in the equilibrium theory.

What are the main causes of workplace inadaptation? Johns (2001) explored this issue in an all-round manner. He deemed "job-hopping", "absence" and other behaviors as "withdrawal behaviors", and studied these factors from three perspectives:

"job satisfaction", "workplace situation and organizational culture" and "employee characteristics". Researchers tend to study withdrawal behaviors from a broader range of perspectives such as work, life and balance.

The studies of withdrawal behaviors cover the main causes of employees' turnover (including turnover intentions) (Griffeth et al., 2000; Huang et al., 2006). According to these studies, the working years among personal factors (gender, working years, education, etc.) are a significant factor and negatively correlated with turnover. Other factors include salary satisfaction (Huang et al., 2006). Among organizational factors, job satisfaction and organizational commitment are negatively correlated with turnover (Griffeth et al., 2000).

Avey et al. (2009) believe that "psychological capital" was a very effective concept because it can inhibit stress, and thus curb turnover intentions and the actions to look for new jobs.

After the study of nurses' turnover, Luthans and Jensen (2005) deem that psychological capital is positively correlated with employees' commitment to hospitals and negatively correlated with turnover intentions. According to the studies of Chinese scholars Chen and Hu (2012), psychological capital is negatively correlated with turnover. These studies show that psychological capital is effective for promoting workplace adaptation.

In Japan, there are many studies on job adaptation or turnover. Yamamoto (2009) summarized these studies. Studies up to now have proven that "performance", "job satisfaction" and "commitment" are major inhibitors of turnover, while burn-out, work-life balance and other factors contribute to turnover. However, in Japan, there are no studies of turnover behaviors from the perspective of psychological capital. Therefore, studies from this perspective are urgently needed.

## 3. Purpose and assumptions of this study

### 3.1 Purpose

Taking Hai Di Lao Hot Pot as an example, this paper studies the effects of psychological capital on employee turnover intentions.

### 3.2 Assumptions

Hai Di Lao Hot Pot was founded by Zhang Yong in 1994 with only 4 tables and assets worth RMB 8,000 (equivalent to about JPY 150,000). Now, it has become a large private enterprise with over 90 stores and 10,000 employees in China.

When it just started business, Hai Di Lao Hot Pot was not popular and had few customers. However, Zhang Yong strove to "provide positive and enthusiastic services" so that customers would feel at home. Consequently, Hai Di Lao Hot Pot gradually won customers' recognition and made remarkable achievements.

What factors contribute to the success of Hai Di Lao Hot Pot? Zhang Yong's answer is very simple: "employee capability building", specifically, to foster and improve employees' psychological capital so that employees can work at ease and provide customers with better services.

This paper makes and verifies the following assumptions based on previous studies and the actual situation of Hai Di

Lao Hot Pot.

### **3.2.1 Relationships between psychological capital and its four components and turnover intentions**

Hai Di Lao Hot Pot has introduced psychological capital into its human resources management system and achieved remarkable results:

#### **3.2.1.1 Bring Hope to Employees**

Hai Di Lao Hot Pot has the operation philosophy, the organizational atmosphere, the evaluation method, and clear career paths (promotion routes) universally recognized by employees. Therefore, employees feel hopeful, and their potential is stimulated and turned into positive organizational behaviors.

In Hai Di Lao Hot Pot, the internal promotion system is an important part of equality. A qualified manager should fully understand customer needs and ordinary employees' ideas, and skillfully deal with the store management process. Managers are selected from waiters or waitresses. There are 3 career paths as below for new employees of Hai Di Lao Hot Pot:

- Path for management: new employee → qualified employee → Class-A employee → outstanding employee → team leader → foreman → store manager → regional manager → greater region manager
- Path for technicians: new employee → qualified employee → Class-A employee → advanced employee → benchmark employee → outstanding employee → model employee → meritorious employee
- Path for back-office employees: new employee → qualified employee → Class-A clerk → advanced employee → outstanding employee → office staff members (accounting, procurement, technical department and development department).

As can be seen from the 3 career paths, every employee has his/her promotion opportunities. Such a talent cultivation system provides a platform for the growth of every employee in Hai Di Lao Hot Pot. All employees think this system is fair and they are hopeful, so they work hard to with smile and optimism.

The Chief Technical Officer and the Chief Financial Officer are externally recruited and the other managers are internally selected. As long as an employee has good qualities and excellent abilities, he/she will have the opportunity to get promoted. Fair promotion routes provide opportunities for employees to achieve their goals. Consequently, employees are hopeful and more determined to achieve their goals by providing customers with services beyond expectation when they see colleagues' successes.

In Hai Di Lao Hot Pot, each employee's performance is not evaluated by the operating revenue, but by customer satisfaction. This practice stimulates employees' potential and aims at the realization of the goals of the company and individuals through specific and practical issues.

The above human resources policies reduce employee turnover intentions. However, different people feel "hopeful" to dif-

ferent degrees. Hence, the following assumption is made.

Assumption 1: The more hopeful employees feel, the fewer turnover intentions they have.

#### **3.2.1.2 Improving employee self-efficacy**

The empowerment system was introduced into Hai Di Lao Hot Pot. In this system, the vice president has the financial discretion of RMB 2 million. A regional manager has the financial discretion of RMB 1 million, and a store manager has the financial discretion of RMB 300,000. If necessary, all front-line employees can exempt customers from payment at discretion and have the authority to deal with all issues in customer services.

Through empowerment, the provision of adequate resources and the unconditional support for employees, the operator trusts employees and wins employees' trust. As a result, employees have the courage and the determination to face difficulties and challenge themselves. In this way, employee self-efficacy is fostered and improved. In order to let employees feel "respected", the operator should fully trust employees and show such trust through policies. To let employees feel fully trusted, the operator should grant full authority to employees.

Trusted and empowered employees will bring their creativity into full play, work harder and provide customers with better services. Consequently, customers feel more satisfied and employee self-efficacy is improved. In the full empowerment system of Hai Di Lao Hot Pot, the employees closest to customers have full authority, so they work with enthusiasm and self-efficacy beyond expectation.

Nevertheless, not all employees in Hai Di Lao Hot Pot have such a high self-efficacy. However, it can be assumed that as a result of the empowerment system, customer satisfaction is improved, employee self-efficacy is enhanced, employees feel they are part of the company, and turnover intentions will be fewer. Hence, the following assumption is made.

Assumption 2: The higher self-efficacy employees have, the fewer turnover intentions.

#### **3.2.1.3 Enhancing employee optimism**

In the daily management of human resources, mutual support, forgiveness of faults, fair competition and knowledge sharing is particularly important because these factors provide psychological support for employees so that they optimistically and positively take actions in face of emergencies and work stress.

In Hai Di Lao Hot Pot, employees' faults are forgiven and employees support each other. Such an atmosphere provides employees with a powerful "psychological support network", so that employees can adapt to complex working environments, take a positive and optimistic attitude towards difficulties, and provide more valuable services for customers.

If employees receive support from others, they make positive causal attributions for past failures and successes, and they rarely feel stressed and have turnover intentions. However, employees are optimistic to different degrees. In other words, optimism differs from employee to employee. Hence, the fol-

lowing assumption is made.

Assumption 3: The more optimistic employees are, the fewer turnover intentions they have.

#### 3.2.1.4 *Improving employee resilience*

“Resilience” means the ability to indomitably overcome adversities and difficulties.

In Hai Di Lao Hot Pot, employee resilience is improved through training, trial and error, role modeling, motivation and other methods. The employees of Hai Di Lao Hot Pot face very high pressure, bear very heavy workloads, and work for very long hours. However, most employees have adapted to such an environment and they are exceptionally resilient. The employee turnover rate from work stress and remuneration in Hai Di Lao Hot Pot is around 10 %, which is extremely rare in the catering industry with generally very high turnover rates.

Nevertheless, there are still some employees having turnover intentions because they cannot withstand such an environment. Hence, the following assumption is made.

Assumption 4: The more resilient employees are, the fewer turnover intentions they have.

#### 3.2.1.5 *Increasing employees’ psychological capital*

Hai Di Lao Hot Pot trains newly recruited employees in the following manner:

- Training employees in company rules and regulations, departments’ duties and responsibilities, operation processes and corporate culture, and skills for effective communication with guests.
- Strengthening the “service with a smile” training, using videos to train employees, and communicating the contents related to positive emotions.
- Enhancing employee self-efficacy, hope and optimism through games. The training lasts for 15 days. Such training not only improves new employees’ capabilities and skills, but also brings confidence and hope to new employees so that they have higher psychological capital and feel happy. With older employees working conscientiously, new employees feel that they must also work hard.

Psychological capital is a concept covering hope, self-efficacy, optimism and resilience. It should be improved not only through training but also through the company’s human resources regulations and management policies. As a result, employees trained in this way will have higher psychological capital and fewer turnover intentions. Hence, the following assumption is made.

Assumption 5: Psychological capital is negatively correlated with turnover intentions.

#### 3.2.2 *Relationship between psychological capital and its components and turnover intentions*

Psychological capital is a concept encompassing self-efficacy,

hope, optimism and resilience. This understanding is consistent from Luthans et al. (2007) to Luthans et al. (2015). It has been verified that psychological capital can more effectively predict performance than the 4 lower-level components. This study aims to verify whether this understanding is true for “turnover intentions”. Hence, the following assumption is made.

Assumption 6: Psychological capital is more closely related to turnover intentions than its four components.

## 4. Study method

### 4.1 *Respondents and survey time*

The valid respondents in this study were 114 employees of Hai Di Lao Hot Pot stores in Wuxi City, Jiangsu Province. The respondents were 20 to 40 years old, and 25.32 years old on average. There were 42 male respondents and 72 female respondents. The survey was conducted in April 2015. The questionnaires were distributed and collected by the company’s Human Resources Department.

### 4.2 *Measurement scale*

#### 4.2.1 *Psychological capital*

Psychological capital was measured by the scale of Luthans (2007). The scale consists of 24 items: 4 components rated at 6 levels (1 = totally don’t think so, 2 = don’t think so, 3 = slightly don’t think so, 4 = slightly think so, 5 = think so, and 6 = totally think so).

The psychological capital scale is made up of 4 lower-level scales as follows:

- Self-efficacy: consisting of 6 items measuring “employee self-efficacy”. E.g. “I believe I can analyze the problems and find solutions”.
- Hope: consisting of 6 items measuring “hope for the future”. E.g. “If I’m in a dilemma in work, I can consider various methods to get out of the dilemma”.
- Resilience: consisting of 6 items measuring “attitudes towards failures and difficulties”. E.g. “When I meet setbacks in work, I can always get back on the track and move on”.
- Optimism: consisting of 6 items measuring “optimism as the attitude towards life”. E.g. “I’m optimistic about my work and what will happen in the future”.

Psychological capital is indicated by the overall score.

#### 4.2.2 *Turnover intentions*

Turnover intentions are measured by 2 types rated at 6 levels. The two turnover intentions are “I want to transfer to another company” and “My present job is best, and I have no turnover intention”.

## 5. Results

### 5.1 *Statistics*

As shown by Table 1, psychological capital consists of four lower-level scales (self-efficacy, hope, resilience and optimism). The average scores were calculated with the simple aggregate scores divided by the numbers of items for the purpose of the

comparison among scales because different scales had different numbers of items.

The average score of psychological capital was 4.631 points (standard deviation: 0.445). The average scores and the standard deviations of self-efficacy, hope, resilience and optimism were as follows respectively: 4.845, 4.321, 4.345 and 5.011 (0.435, 0.573, 0.552 and 0.677). Among them, optimism had the highest score, and self-efficacy, hope, resilience and psychological capital all had average scores above 4. The average score of employee turnover intentions was 2.785.

### 5.2 Correlation coefficients

As shown by Table 2, both psychological capital and its components (self-efficacy, hope, resilience and optimism) are significantly negatively correlated with turnover intentions, however, the absolute value of the negative correlation coefficient between psychological capital and turnover intentions is higher than the absolute values of the negative correlation coefficients between the 4 components of psychological capital and turnover intentions.

In other words, employees with higher psychological capital, i.e., those with high self-efficacy, optimism, hope and resilience, have more positive attitudes in workplaces; and positive attitudes are negatively correlated with turnover intentions. Therefore, the above results support Assumption 1, Assumption 2, Assumption 3 and Assumption 4.

### 5.3 Multiple regression analyses

Multiple regression analyses of turnover intentions were conducted. As shown by Table 3, personal factors and psychological capital have significant effects on turnover intentions. It is not difficult to judge from Model 2 that “psychological

capital” and “working years” inhibit turnover intentions, which supports Assumption 5.

### 5.4 Significance tests for differences between correlation coefficients

Finally, a test of the differences among correlation coefficients of psychological capital and its 4 components was performed. As shown by Table 4, the differences among correlation coefficients between psychological capital and self-efficacy, hope and resilience are statistically significant. However, the differences between the correlation coefficients of psychological capital and optimism are not statistically significant. Therefore, it can be deemed that Assumption 6 is generally supported.

## 6. Result analysis and outlook

The study results show that employees’ psychological capital is the main factor affecting turnover intentions. Assumption 1 to Assumption 5 are all supported. Similar to the study by Luthans (2002), this study is based on “psychological capital”, which is not a trait but a psychological state. Therefore, “psychological capital” is a concept which can be improved, implemented and developed. As indicated in the assumptions, turnover intentions are related to psychological capital; however, they are also related to other personal factors like working years. Assumption 6 is generally supported, but it requires further discussion. It is expected that the “psychological capital” developed by Luthans et al. will be standardized in China and there will be more studies in this aspect.

As shown by the analysis of the empirical data of Hai Di Lao Hot Pot, attaching importance to psychological capital can improve employees’ dedication to work, arouse employees’ potential and successfully turn such potential into positive or-

Table 1: Average scores of psychological capital and turnover

	Number of valid samples	Average score	Standard deviation	Reliability coefficient
Psychological capital	114	4.631	0.445	0.882
Self-efficacy	114	4.845	0.435	0.936
Hope	114	4.321	0.573	0.899
Resilience	114	4.345	0.552	0.932
Optimism	114	5.011	0.677	0.907
Turnover intention	114	2.785	0.579	0.888

Table 2: Correlation coefficients

	Psychological capital	Self-efficacy	Hope	Resilience	Optimism	Turnover intention
Psychological capital	—					
Self-efficacy	0.799**	—				
Hope	0.656**	0.249*	—			
Resilience	0.835**	0.736**	0.332**	—		
Optimism	0.876**	0.643**	0.447**	0.621**	—	
Turnover intention	-0.779**	-0.599**	-0.551**	-0.522**	-0.745**	—

Notes: \*\* Correlation coefficients are significant at 1 %. \* Correlation coefficients are significant at 5 %.

Table 3: Multiple regression analyses of attributes affecting turnover intentions

Independent variable		Model 1	Model 2
Factor	Gender	0.032	0.029
	Age	0.271*	0.117
	Education	0.053	0.042
	Position	0.067	0.035
	Working years	-0.632**	-0.316**
Psychological capital	Psychological capital		-0.736**
$R^2$		0.118**	0.722**
$F$ value		74.196**	14.307**
Variation of $R^2$		0.118**	0.613**
Variation of $F$ value		74.196**	248.831**

Notes: \*  $p < 0.05$ , \*\*  $p < 0.01$

Table 4: Significance tests for differences among correlation coefficients

Psychological capital	$z$ value	Two-sided test for $p$	Judgment
Self-efficacy	2.53	0.01	$p < 0.05$
Hope	2.98	0.003	$p < 0.01$
Resilience	3.27	0.001	$p < 0.01$
Optimism	0.52	0.603	$p = n.s.$

ganizational behaviors.

The following is the exploration of how to use the experience of Hai Di Lao Hot Pot in practice based on the results of this study.

## 7. Implications of Hai Di Lao Hot Pot phenomenon

In the implementation of the human resources management system with psychological capital taken into account, employees' potential are aroused and employees take the realization of their own goals and the organizational goal as a mission. This leading practice results in outstanding achievements in the fiercely competitive catering market.

### 7.1 Proposal of methods to introduce "psychological capital" into human resources management

#### 7.1.1 In employee recruitment, the psychological capital aptitude test should be conducted

The psychological capital aptitude test is a necessary measure taken in the light of the importance of employees' psychological capital. Enterprises use scientific methods (for example, Luthans's 24-item psychological capital measurement scale) to select new employees with excellent psychological capital, or experts should be commissioned to develop the criteria for the objective assessment of employees' psychological capital, and the assessment results should be used as references in the recruitment of new employees.

#### 7.1.2 Development of the psychological capital considered by employee's capability development

Previously, capability development focused on specific skill training. However, in the future, importance should be attached to the development of psychological capital, which is crucial for performance. The full development and use of employees' psychological capital is particularly important for enterprises' long-term development. In theory, individuals' psychological capital can be developed, trained and managed. In human resources management, employees should be trained not only in knowledge and skills, but also in psychological capital.

Luthans et al. (2003; 2005; 2006; 2007) put forward a series of methods to improve employees' self-efficacy, optimism, hope and resilience. These methods provide enterprises with the psychological capital development system. In particular, the implementation of the psychological capital intervention plan has many advantages in improving all employees' psychological capital. For example, Luthans (2005) believes that if employees have crises (such as serious absence, conflicts with customers and depression) in job adaptation accompanied by the decrease in psychological capital, it is necessary to consider psychological capital intervention. Luthans et al. (2005) put forward the well-known psychological capital intervention model and verified the validity of this model.

In this model, Luthans gave a detailed description of the methods to intervene in the 4 components of psychological capital. For example, the intervention in "hope" can be achieved through "the design of the goal and the route to the goal"; the intervention in "optimism" can be achieved through "the development of positive expectations"; the intervention in "self-efficacy" can be achieved through "successful experience" and the building of an ideal model; and the intervention in "resilience" can be achieved through "the building of resources". The specific intervention methods include structured written materials, positive experience recall and positive video intervention.

#### 7.1.3 In performance management, employees' psychological capital should be protected and improved

At the goal setting stage, the goals should be subdivided and each goal should be achievable by employees through efforts,

and the conduciveness to improving employees' self-efficacy should be taken into account.

At the goal implementation stage, managers must provide employees with necessary psychological support, encourage employees to squarely face challenges and assist employees in achieving goals.

At the performance evaluation stage, managers should guide employees in developing a positive understanding of the performance results, and praise employees for their progress so that employees will hopefully move forward.

#### ***7.1.4 Psychological capital, as an important part of employees' career planning, should be taken seriously***

In employee job design, the factors to be considered should include not only employees' occupational capabilities and skills, but also employees' psychological capital because this factor is related to employees' growth goals.

#### ***7.1.5 It is important to introduce employees' psychological capital into the relationships among employees***

The introduction of employees' psychological capital into the relationships among employees can prevent tensions among employees, boost employee morale, improve employees' working enthusiasm and hope for the occupation, maintain work resilience, and enliven the organizational atmosphere so that each employee can work with a positive attitude.

#### ***7.1.6 The company should take the improvement of employees' psychological capital as a central task of corporate culture building and management***

Corporate culture is one of the sources of employee motivation. Employees' psychological capital can be developed and enhanced through culture building so that employees work happily, on their own initiative and creatively. Besides, such enterprise human resource management will certainly be successful and the enterprise competitiveness will certainly be sharpened.

#### ***7.1.7 A positive working environment should be created to improve employee satisfaction***

Researchers believe that a positive working environment can improve employee satisfaction and better stimulate employees' potential. For the judgment of whether the working environment is of positive significance, Luthans and Gallup Company jointly developed Gallup Workplace Audit (GWA), which can be used to measure the working environment.

### ***7.2 Points of the Hai Di Lao Hot Pot phenomenon are expounded below***

#### ***7.2.1 Importance of psychological capital, knowledge capital and social capital***

Over the years, Hai Di Lao Hot Pot has always attached great importance to employee selection, training and management. Different from most enterprises, Hai Di Lao Hot Pot mainly recruits employees who come from the rural areas,

work hard to change their status quo but do not have high academic qualifications. Hai Di Lao Hot Pot recruits the employees without high knowledge capital or social capital, which is possibly because such employees are easier to manage and train. The management practices of Hai Di Lao Hot Pot have partly proven the correctness of this approach. However, with the company's development, this employee selection and training method should be adjusted, and importance should be also attached to employees' psychological capital, knowledge capital and social capital, which has been fully indicated by the setback met by Hai Di Lao Hot Pot in entering the US market.

#### ***7.2.2 Standardization problem of service as a future subject***

McDonald's, a fast-food chain with 30,000 stores around the world, does not provide services in a more enthusiastic way than Hai Di Lao Hot Pot, however, the service quality difference among McDonald's stores is smaller than that among Hai Di Lao Hot Pot stores. This is because stores and employees of McDonald's are managed in accordance with detailed procedures and standards. In other words, McDonald's implements the service standardization system. Hai Di Lao Hot Pot should draw upon the experience of McDonald's in service standardization. There is a large opportunity for Hai Di Lao Hot Pot to improve its enterprise system and corporate culture.

## **8. Key points, problems and future topics**

### ***8.1 Key points***

Through the example of Hai Di Lao Hot Pot, this study reveals that psychological capital is a core concept in organizational behaviors. The validity of optimism, self-efficacy and other concepts has been proven by positive psychology. Luthans (2002) defined "psychological capital" by integrating "self-efficacy", "hope", "optimism" and "resilience" and put forward the measurement method. Superiors' leadership, employees' working experience and other factors are helpful in developing psychological capital. Psychological capital can improve employee well-being, prevent employees' withdrawal behaviors and contribute to employees' performance; and it can also improve enterprises' human resources management and organizational behaviors.

The study results show that employees' psychological capital is the main factor affecting turnover intentions. Psychological capital can better predict organizational behaviors than its components and can be improved to prevent withdrawal behaviors.

### ***8.2 Problems and future topics***

The concept and theory of "psychological capital" were put forward just more than a decade ago, but they have attracted intensive attention of practice experts and enterprise managers: many theories and empirical studies on psychological capital have taken shape, and many noteworthy results have been rendered. However, many topics in this aspect remain to be studied, and they need to be expounded and improved through further research.

As shown by the study results, "psychological capital" is a

core concept in the understanding of organizational behaviors. However, now, there are still few studies of the causes and the results of psychological capital. This may be because the studies of psychological capital are still at the early stage and researchers focus on the structures and the functions of psychological capital. Besides, psychological capital may be affected by many factors such as personal factors, environmental factors, sub-culture and social culture. The variables of causes of psychological capital are rarely studied and should be studied further.

From the organizational perspective, a positive psychological state is formed through the interaction between the positive psychological factors and the positive organizational environment. Therefore, the positive organizational environment should be studied to better understand and develop employees' positive psychological state.

In the study of positive organizational behaviors, the positive organizational study focuses on positive organizational environment, organizational development and other aspects from the macroscopic perspective, and has produced many study results.

Furthermore, positive organizational behaviors are mainly studied from the microscopic perspective to improve individuals' psychological potential.

Studies from the organizational perspective and analysis at the organizational level are essential for the full understanding and utilization of psychological capital. The insights into positive organizational behaviors and the understanding of positive organizational studies must be integrated for information exchange.

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