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## LEVERAGING PSYCHOLOGICAL CAPITAL AS A PERSONAL RESOURCE TO ENHANCE HAPPINESS AT WORK AND DRIVE EXTRA-ROLE BEHAVIORS



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### Abstract

This study examines the effect of psychological capital (PsyCap) on happiness at work (HAW) and organizational citizenship behavior (OCB), while exploring the mediating role of HAW. Using data from 1,236 employees of a public financial organization in Indonesia, this research applied confirmatory factor analysis (CFA) and covariance-based structural equation modeling (CB-SEM). The results show that PsyCap significantly enhances OCB, both directly and indirectly through HAW. These findings highlight the critical role of emotional well-being as a psychological pathway that connects personal resources to positive work behavior. By adopting the Broaden-and-Build Theory, this study provides new insights into the mechanisms that promote extra-role behaviors in the workplace, particularly in public sector organizations. It also emphasizes the practical importance of developing PsyCap and fostering happiness at work to support organizational success.

**Keywords:** Happiness at Work, Organizational Citizenship Behavior, Psychological Capital, Public Sector

## INTRODUCTION

Happiness, a fundamental feature of human life, has consistently been viewed as a central aim for individuals across societies (Erdogan et al., 2012; Thompson & Bruk-Lee, 2021). In Indonesia, the importance of happiness has received increasing attention, as reflected in the 2024 World Happiness Report (WHR), where Indonesia ranks 80th out of 143 countries, with a happiness score of 5.568 (Helliwell et al., 2024). Over the past five years, this happiness score has shown an upward trend. However, regionally, Indonesia ranks sixth among ASEAN countries. This suggests that efforts to enhance the overall well-being of individuals in the population still need to be conducted more systematically and sustainably. One crucial dimension that significantly contributes to the quality of life is happiness at work (HAW), considering the considerable time individuals invest in work-related tasks (Farooq et al., 2024; Goel & Singh, 2015).

HAW encompasses positive feelings toward one's job, satisfaction with the work setting, and constructive interpersonal relationships with colleagues and supervisors (Fisher, 2010). Organizations with happy employees tend to achieve better outcomes and reduce counterproductive behavior (S. Singh et al., 2023). HAW enhances performance, lowers turnover, and buffers the impact of job demands and negative behaviors (Thompson & Bruk-Lee, 2021). Although HAW has been associated with improved productivity in various service sectors, research within public sector settings remains limited (Al-shami et al., 2023; Al-Taie, 2023; Bani-Melhem et al., 2022; Farooq et al., 2024; Joo & Lee, 2017; Kun & Gadanez, 2022; Mousa et al., 2020; Qamar & Soomro, 2024; A. Singh & Banerji, 2022). This lack of research is important because unhappiness in public institutions may have more serious consequences than in the private sector. Legal protections often prevent dismissal, which can lead to low employee contribution without direct repercussions (Tummers et al., 2015). Therefore, this study explores the role of HAW in supporting organizational outcomes in Indonesia's public sector.

In today's increasingly dynamic and demanding work environment, employee performance has become a critical factor in organizational success. One of the key drivers of performance is organizational citizenship behavior (OCB), which refers to voluntary behaviors that go beyond formal job requirements and are not directly incentivized by organizational reward systems, yet significantly contribute to productivity, collaboration, and employee engagement with organizational goals (Mohammad et al., 2016; Mousa et al., 2020; Sabir et al., 2019). OCB plays an essential role in fostering an adaptive and innovative work culture (Al-Taie, 2023). Several studies indicate that HAW serves as a crucial determinant in enhancing OCB; employees who are happy in their work are more motivated to contribute positively beyond their formal duties, thereby fostering a productive and collaborative organizational culture (Al-shami et al., 2023; Mousa et al., 2020; A. Singh & Banerji, 2022). Responding to the call for further exploration on the impact of HAW on OCB in various contexts, as emphasized by Mousa et al. (2020) and A. Singh & Banerji (2022), this study aims to address this gap. Specifically, it investigates the role of psychological capital (PsyCap) as a personal resource in shaping HAW and enhancing OCB within the public sector in Indonesia.

PsyCap, an individual's personal resource comprising hope, resilience, optimism, and self-efficacy (Luthans & Youssef-Morgan, 2017), has gained significant attention due to its

positive impact on personal and professional outcomes (Al-Taie, 2023). In the face of global challenges such as competition and organizational change, PsyCap is recommended as a critical resource for enhancing resilience and organizational effectiveness (Maqbool & Parray, 2021). PsyCap helps employees manage stress, adapt to change, improve well-being, and foster voluntary positive behaviors (Bogler & Somech, 2019; Kawalya et al., 2019; Luthans & Youssef-Morgan, 2017; Rodríguez-Cifuentes et al., 2020; Zeng et al., 2023). Despite its proven benefits, PsyCap remains underutilized, as many organizations still prioritize technical skills over psychological development. This underuse, as noted by Maqbool & Parray (2021), is a missed opportunity to foster resilient, high-performing teams. To realize its full potential, PsyCap must be deliberately embedded in HR and development strategies.

This study examines the mediating role of HAW in the relationship between PsyCap and OCB, addressing the gap identified by Pham et al. (2024), who call for further exploration of mediating processes linking PsyCap with various outcomes. While previous research has demonstrated the positive impact of PsyCap on individual and organizational outcomes (Luthans & Youssef-Morgan, 2017; Zeng et al., 2023), its mediating mechanisms, remain underexplored. By positioning HAW as a mediator, this study investigates how PsyCap influences HAW, which subsequently promotes OCB in the Indonesian public sector. The findings contribute to both theoretical understanding and practical strategies for enhancing employee well-being and citizenship behavior, offering valuable insights for public sector HR management in fostering a more engaged, resilient, and OCB-driven workforce.

## REVIEW OF LITERATURE

### Theoretical Background

This study utilizes the Broaden-and-Build Theory (BBT) as the theoretical foundation to explain how PsyCap influences HAW, which subsequently affects OCB. Fredrickson (2004) suggests that positive emotions, such as happiness at work (HAW), can broaden an individual's thought patterns and behaviors. When individuals possess high PsyCap, which includes hope, self-efficacy, optimism, and resilience, they are more likely to experience happiness at work. High PsyCap broadens the way individuals perceive their work and environment, enhancing openness to new experiences and improving social interactions, which in turn increases HAW (Fredrickson, 2004; Luthans & Youssef-Morgan, 2017).

Once positive emotions like HAW are formed, the build process in BBT explains how these positive emotions then build stronger psychological resources. When individuals feel happy at work, they develop better social skills, resilience, and intellectual capacity. These built psychological resources encourage individuals to engage in prosocial behaviors, such as OCB, which improves overall organizational performance (Fredrickson, 2004). Thus, in this model, high PsyCap functions to broaden HAW, which then builds psychological resources that support prosocial behaviors like OCB. This study aims to explore how this relationship manifests within the context of the Indonesian public sector, offering insights into how psychological factors such as PsyCap and HAW can enhance OCB and organizational engagement.

## **Hypothesis Development**

### **Psychological Capital on Organizational Citizenship Behavior**

PsyCap represents an individual's personal resource, encompassing four primary dimensions: hope, resilience, optimism, and self-efficacy (Luthans & Youssef-Morgan, 2017). Hope reflects an individual's belief in their ability to achieve goals through flexible planning and alternative solutions (Luthans & Youssef-Morgan, 2017). Resilience denotes the capacity to recover from adversity and to develop from such experiences, while optimism pertains to a belief in positive future outcomes and the ability to perceive challenges as learning opportunities (Luthans & Youssef-Morgan, 2017). Self-efficacy pertains to an individual's belief in their ability to effectively utilize available resources to accomplish specific tasks (Luthans & Youssef-Morgan, 2017).

Within the Broaden-and-Build Theory (BBT), PsyCap acts as a crucial resource that fosters positive work interactions and promotes constructive behaviors such as OCB (Fredrickson, 2004). OCB refers to voluntary actions that go beyond formal job duties, contributing to organizational success without direct rewards (Organ, 1988). These behaviors, driven by factors like job satisfaction and fairness perceptions, include altruism, courtesy, conscientiousness, sportsmanship, and civic virtue (Podsakoff et al., 2000). Prior research has demonstrated that PsyCap enhances OCB by promoting prosocial behaviors that strengthen social dynamics and improve organizational performance (Chamisa et al., 2020; Da et al., 2021; Gustari & Widodo, 2021; Rodríguez-Cifuentes et al., 2020; Zeng et al., 2023). Therefore, this study tests the following hypothesis:

H1: PsyCap has a positive influence on OCB.

### **Happiness at Work as a Mediator**

Happiness, despite its recognized importance, remains ambiguously defined due to various interpretations in the literature (Kesebir & Diener, 2008). Diener et al. (1999) describe happiness as a comprehensive evaluation of one's life, reflecting satisfaction with personal well-being and the relative absence of negative emotions. In organizational contexts, happiness has been elaborated through frameworks like Seligman's (2011) PERMA model, which identifies key components such as pleasure, engagement, relationships, meaning, and achievement. Fisher (2010) extended this by proposing happiness at work (HAW), which encompasses positive emotions toward work, job characteristics, and the organization. He further categorized HAW into three dimensions: work engagement, job satisfaction, and affective commitment, reflecting employees' emotional connection to their work, satisfaction with their roles, and attachment to the organization (Fisher, 2010).

According to the BBT framework, favorable emotional states like HAW broaden individuals' thinking patterns, enhance creativity, and encourage engagement in constructive and innovative behaviors (Fredrickson, 2004). Additionally, happiness builds psychological and social resources, which strengthen interpersonal relationships and increase individuals' capacity to engage in OCB (Fredrickson, 2004). When employees feel happy and valued in the workplace, they show a greater tendency to participate in non-mandatory actions, such as OCB (Al-shami et al., 2023; Mousa et al., 2020; A. Singh & Banerji, 2022). Furthermore, high PsyCap can enhance HAW by strengthening emotional and psychological resources that support resilience against work-related pressures (Kawalya et al., 2019). Additional research has shown that PsyCap positively correlates with job satisfaction and overall well-being in

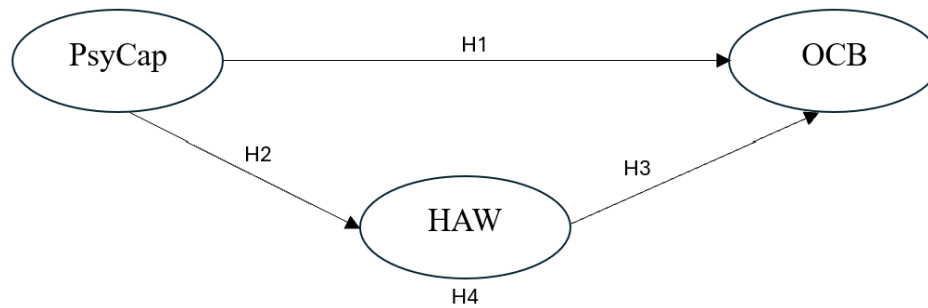
the work environment (Al-Taie, 2023; Joo & Lee, 2017; Kun & Gadancz, 2022). Therefore, this study tests the following hypotheses:

H2: PsyCap has a positive influence on HAW.

H3: HAW has a positive influence on OCB.

H4: HAW mediates the positive influence of PsyCap on OCB.

The conceptual framework for this study, as derived from the hypotheses outlined earlier, is presented in Figure 1.



**Figure 1.**  
**Proposed Model**

## RESEARCH METHOD

### Research Context

Recent improvements in the well-being of the Indonesian population are reflected in the 2024 World Happiness Report (WHR), which ranks Indonesia 80th out of 143 countries, with a happiness score of 5.568 (Helliwell et al., 2024). Regionally within ASEAN, Indonesia ranks sixth, below Singapore, Philippines, Vietnam, Thailand, and Malaysia. Despite the positive trend observed over the last five years, this ranking highlights the need for systematic and sustainable efforts to improve the quality of life for Indonesians. One key aspect contributing to the quality of life is happiness at work (HAW), as individuals spend a significant portion of their time in work-related contexts (Farooq et al., 2024).

In this context, the Public Financial Organization (PFO) is a strategic public institution that plays a central role in managing state finances and delivering essential public services. With a workforce of 77,921 employees as of January 1, 2024, the effectiveness and capability of the PFO in fulfilling its mandate are closely linked to the quality and well-being of its human resources. Given the importance of organizational citizenship behavior (OCB) and the positive impact of HAW on organizational outcomes, this study aims to explore the role of personal resources, particularly PsyCap, in influencing HAW and OCB in the public sector of Indonesia. Specifically, the research will investigate how HAW connects PsyCap and OCB. The study will involve employees from various departments within the Public Financial Organization, including staff and middle management, to provide a comprehensive view of work happiness dynamics in the public bureaucracy. By understanding these psychological mechanisms, the study aims to offer strategic recommendations for enhancing employee well-being and strengthening the overall effectiveness of the institution.

## Research Design

This research employs a quantitative design, utilizing an online questionnaire to collect data from employees of the Public Financial Organization (PFO). Purposive sampling was applied, selecting respondents with a minimum of one year of work experience at PFO. A total of 1,572 responses were gathered, which were then screened based on predefined criteria. Data cleaning was performed to eliminate outliers and address missing responses (Malhotra, N. K. & Dash, 2016). After screening and cleaning, 1,236 valid responses remained for the main analysis. The theoretical framework and hypotheses were tested using Covariance-Based Structural Equation Modeling (CB-SEM) with LISREL 8.8 software. CB-SEM was chosen for its capability to handle recursive paths and simultaneous interactions between variables. The analysis proceeded in two stages: first, the measurement model was assessed to confirm construct validity, and second, the structural model was examined to explore the relationships between variables. The structural model analysis was conducted only after ensuring the validity of the measurement model (Hair et al., 2019).

## Measurement

Organizational Citizenship Behavior (OCB) refers to voluntary actions by employees that extend beyond their formal job roles to support organizational success (Organ, 1988), measured using Podsakoff et al.'s (1990) five dimensions: altruism, conscientiousness, sportsmanship, courtesy, and civic virtue. Happiness at Work (HAW) encompasses sustained positive emotions and a positive attitude toward work (Fisher, 2010), assessed through an adapted instrument from Salas-Vallina & Alegre (2021) with three dimensions: work engagement, affective commitment, and job satisfaction. Psychological Capital (PsyCap) represents an individual's positive mental state, including optimism, self-efficacy, hope, and resilience (Luthans & Youssef-Morgan, 2017), measured by the Compound PsyCap Scale (Lorenz et al., 2022).

## RESULTS AND DISCUSSION

### Respondent Demographics

This research used 1,236 valid respondents, with demographic characteristics including gender, age, education, job position, tenure, and work location. Table 1 presents the demographic characteristics of the respondents, where most were male (67.8%) and aged between 25 to 40 years. The majority held a Diploma IV/bachelor's degree (49.3%) or a master's degree (25.9%), indicating high educational attainment. Most respondents were operational or functional staff (70.6%), and nearly half (43.5%) had over 15 years of work experience. Geographically, 61.9% were based in Java, the administrative and operational hub of the Public Financial Organization (PFO). Overall, the demographic composition closely mirrors the broader employee distribution within the PFO, suggesting that the sample is reasonably representative of the population. This provides a solid foundation for generalizing the study's findings and analyzing the dynamics of the research variables (PsyCap, HAW, and OCB) within this strategic public organization.

### Measurement Model

In the measurement model analysis, this study follows Hair et al. (2019), who explain that factor loadings represent the correlation between observed variables and their underlying latent constructs. A higher loading value indicates a better representation of the construct,

with a standardized loading factor (SLF) of  $\geq 0.50$  generally considered acceptable. Indicators with SLF values between 0.30 and 0.40 may still be retained if the sample size exceeds 350 respondents (Hair et al., 2019). To evaluate construct reliability, both Construct Reliability (CR) and Average Variance Extracted (AVE) were employed, adhering to the recommended thresholds of  $CR > 0.70$  and  $AVE > 0.50$ . However, as noted by Fornell & Larcker (1981), a construct with an AVE below 0.50 may still be considered acceptable if its CR exceeds 0.60.

**Table 1.**  
**Demographic Characteristics of Respondents**

Profile	Category	Number of Responses	Percentage (%)
Gender	Male	838	67,8%
	Female	398	32,2%
Age	<25 years	47	3,8%
	25 to <30 years	261	21,1%
	30 to <35 years	254	20,6%
	35 to <40 years	234	18,9%
	40 to <45 years	172	13,9%
	45 to <50 years	148	12,0%
	>50 years	120	9,7%
Education	Senior High School/equivalent	15	1,2%
	Diploma I	91	7,4%
	Diploma III	194	15,7%
	Diploma IV/ S1	609	49,3%
	Master's Degree (S2)	320	25,9%
	Doctoral Degree (S3)	7	0,6%
Position	Supervisor/Functional (Eselon IV)	364	29,4%
	Operational Staff/Functional	872	70,6%
Tenure	1 to <5 years	108	8,7%
	5 to <10 years	259	21,0%
	10 to <15 years	331	26,8%
	>15 years	538	43,5%
Work Location	Jawa	765	61,9%
	Sumatra	185	15,0%
	Kalimantan	91	7,4%
	Sulawesi	80	6,5%
	Bali-NTT-NTB	64	5,2%
	Maluku-Papua	51	4,1%

**Table 2.**  
**Validity and Reliability Test of First-Order Constructs**

<b>Variable</b>	<b>Dimension</b>	<b>Item</b>	<b>SLF</b>	<b>CR</b>	<b>AVE</b>	<b>Conclusion</b>
<b>Organizational Citizenship Behavior</b>  Podsakoff et al. (1990)	Altruism/AL	AL1	0,76	0,90	0,63	Valid and reliable
		AL2	0,84			
		AL3	0,75			
		AL4	0,87			
		AL5	0,76			
	Conscientiousness/CS	CS1	0,31	0,72	0,36	Valid and reliable
		CS2	0,56			
		CS3	0,76			
		CS4	0,82			
		CS5	0,39			
	Sportsmanship/SP (R)	SP1	0,74	0,91	0,66	Valid and reliable
		SP2	0,87			
		SP3	0,91			
		SP4	0,87			
		SP5	0,66			
	Courtesy/CR	CR1	0,47	0,81	0,47	Valid and reliable
		CR2	0,77			
		CR3	0,83			
		CR4	0,61			
		CR5	0,68			
Civic Virtue/CV	CV1	0,78	0,75	0,44	Valid and reliable	
	CV2	0,54				
	CV3	0,57				
	CV4	0,73				
<b>Happiness at Work</b>  Salas-Vallina & Alegre (2021)	Work Engagement/WE	WE1	0,82	0,80	0,52	Valid and reliable
		WE2	0,81			
		WE3	0,30			
		WE4	0,82			
	Job Satisfaction/JS	JS1	0,79	0,77	0,46	Valid and reliable
		JS2	0,52			
		JS3	0,70			
		JS4	0,68			
	Affective Commitment/AC	AC1	0,80	0,91	0,71	Valid and reliable
		AC2	0,85			
		AC3	0,84			
		AC4	0,86			
<b>Psychological Capital</b>  Lorenz et al. (2022)	Hope/HO	HO1	0,83	0,84	0,57	Valid and reliable
		HO2	0,57			
		HO3	0,80			
		HO4	0,81			
	Efficacy/EF	EF1	0,82	0,89	0,68	

Variable	Dimension	Item	SLF	CR	AVE	Conclusion
		EF2	0,79			Valid and reliable
		EF3	0,84			
		EF4	0,84			
	Resilience/RE	RE1	0,88	0,87	0,63	Valid and reliable
		RE2	0,75			
		RE3	0,83			
		RE4	0,71			
	Optimism/OP	OP1	0,93	0,83	0,56	Valid and reliable
		OP2	0,80			
		OP3	0,54			
		OP4	0,67			

Table 2 presents the validity and reliability results for the first-order constructs. Four indicators (CS1, CS5, CR1, and WE3) showed SLF values below 0.50. Despite this, these indicators were retained, considering the large sample size and the acceptance criteria outlined by Hair et al. (2019). Furthermore, four dimensions (conscientiousness, courtesy, civic virtue, and job satisfaction) recorded AVE values below 0.50 but had CR values above 0.60, meeting the reliability standards set by Fornell & Larcker (1981). Thus, all first-order constructs are considered valid and reliable for further analysis.

**Table 3.**  
**Validity and Reliability Test of Second-Order Constructs**

Variable	Dimension	SLF	CR	AVE	Conclusion
Organizational Citizenship Behavior	Altruism/AL	0,82	0,92	0,69	Valid and reliable
	Conscientiousness/C	0,96			
	S				
	Sportsmanship/SP	0,49			
	Courtesy/CR	0,87			
	Civic Virtue/CV	0,92			
Happiness at Work	Work	0,89	0,91	0,78	Valid and reliable
	Engagement/WE				
	Job Satisfaction/JS	0,87			
	Affective	0,88			
	Commitment/AC				
Psychological Capital	Hope/HO	0,90	0,96	0,84	Valid and reliable
	Efficacy/EF	0,97			
	Resilience/RE	0,99			
	Optimism/OP	0,80			

Table 3 displays the findings for the second-order constructs. One dimension, sportsmanship, exhibited an SLF value slightly below 0.50. Nevertheless, given the overall model fit and the supporting reliability measures, the dimension was retained. All second-order constructs demonstrated CR values exceeding 0.70, affirming their reliability, and AVE values were within acceptable ranges according to the criteria established by Hair et al.

(2019) and Fornell & Larcker (1981). Therefore, the second-order constructs are also deemed valid and reliable.

**Structural Model Goodness of Fit**

The goodness-of-fit (GoF) test was conducted to evaluate how well the model represents the relationships between latent variables and their observed indicators (Hair et al., 2019). The assessment was based on three categories of fit indices: absolute fit indices, incremental fit indices, and parsimony fit indices. According to Hair et al. (2019), a model can be considered to have an acceptable fit when at least three to four key indices indicate a good result. In this study, the GoF evaluation demonstrated that the structural model satisfied this criterion, with multiple fit indices showing acceptable values. Accordingly, the structural model in this study meets the required goodness-of-fit standards, supporting the appropriateness of further analysis of the hypothesized relationships among the variables.

**Table 4.**

**Goodness of Fit Test Result**

GoF	GoF Indicators	Standard Value	Result	Conclusion
Absolute Fit Indices	Goodness-of-Fit Index (GFI)	$GFI \geq 0,90$ (good fit)	0,98	Good fit
	Root Mean Square Error of Approximation (RMSEA)	$RMSEA \leq 0,08$ (good fit)	0,050	Good fit
	Standardized Root Mean Residual (SRMR)	$SRMR \leq 0,08$ (good fit)	0,02	Good fit
	Normed Chi-Square	$\leq 3:1$ (good fit)	4,1:1	Acceptable fit
Incremental Fit Indices	Normed Fit Index (NFI)	$NFI > 0,90$ (good fit)	0,99	Good fit
	Non-Normed Fit Index (NNFI)	$TLI > 0,92$ (good fit)	0,99	Good fit
	Comparative Fit Index (CFI)	$CFI > 0,92$ (good fit)	0,99	Good fit
	Relative Fit Index (RFI)	$RFI > 0,90$ (good fit)	0,99	Good fit
	Incremental Fit Index (IFI)	$IFI > 0,90$ (good fit)	0,99	Good fit
Parsimony Fit Indices	Adjusted Goodness of Fit Index (AGFI)	$AGFI > 0,90$ (good fit)	0,96	Good fit

**Hypotheses Testing**

Hypothesis testing was conducted using Covariance-Based Structural Equation Modeling (CB-SEM) with a 95% confidence level and a one-tailed approach, given that the direction of relationships between variables was predetermined based on strong theoretical foundations. A relationship was considered statistically significant if the t-value was  $\geq 1.645$ . The results presented in Table 5 indicate that all hypotheses were supported. PsyCap was found to have a positive influence on both HAW and OCB, while HAW also had a positive effect on OCB. Furthermore, HAW played a crucial role in linking PsyCap to OCB. Thus, HAW is not only a direct outcome of PsyCap but also serves as an intermediary mechanism

that strengthens the influence of PsyCap on employees' extra-role behaviors that benefit the organization.

**Table 5.**  
**Summary of Hypothesis Testing Results**

Hypothesis	Variable Relationship	Coefficient	t-value	Result
H1	PsyCap → OCB	0.55	15.16	Supported
H2	PsyCap → HAW	0.72	25.95	Supported
H3	HAW → OCB	0.34	9.81	Supported
H4	PsyCap → HAW → OCB	0.24	9.62	Supported

### Discussion

This study finds that personal factors, such as PsyCap, have a direct positive impact on OCB. PsyCap, which includes efficacy, hope, optimism, and resilience, is an internal resource that enables individuals to manage job demands, reduce stress, and enhance performance (Luthans & Youssef-Morgan, 2017). Individuals with higher PsyCap are more motivated, stay committed, and exhibit extra-role behaviors beyond their formal job duties. These results align with prior studies that emphasize PsyCap's role in encouraging voluntary participation in organizational settings (Chamisa et al., 2020; Da et al., 2021; Gustari & Widodo, 2021; Rodríguez-Cifuentes et al., 2020; Zeng et al., 2023).

This study also reveals that HAW positively impacts OCB. The higher the level of employee happiness, the more likely they are to engage in extra-role behaviors, such as helping colleagues and contributing beyond formal duties. This finding is consistent with the Broaden-and-Build Theory (BBT), which suggests that positive emotions, including HAW, broaden an individual's mindset and actions, fostering long-term psychological resources (Fredrickson, 2004). HAW encourages employees to take additional actions that align with OCB. Previous studies (Al-shami et al., 2023; Mousa et al., 2020; A. Singh & Banerji, 2022) support this positive relationship between HAW and OCB. Employees who are happy at work feel more connected to the organization and are more motivated to exceed basic expectations and engage in behaviors that support organizational success.

The research specifically explores how HAW mediates the relationship between PsyCap and OCB. The results indicate that HAW partially mediates the effect of PsyCap on OCB. Employees with high PsyCap are more likely to experience greater HAW (Al-Taie, 2023; Joo & Lee, 2017; Kawalya et al., 2019; Kun & Gadanez, 2022). This happiness, in turn, fosters greater willingness to engage in extra-role behaviors like OCB. Therefore, HAW serves as a psychological pathway that enhances the effect of PsyCap on OCB by expanding employees' mindset and motivating them to contribute beyond formal duties.

Therefore, organizations, especially in the public sector, need to give serious attention to the development of PsyCap as a psychological resource that remains underutilized in many professional settings. Although intangible within organizational structures, PsyCap serves as a critical foundation that enables employees to manage stress, maintain motivation, and engage in behaviors that contribute to overall organizational success (Luthans & Youssef-Morgan, 2017). Maqbool and Parray (2021) highlight that while PsyCap has been widely

explored in academic research, its practical application by professionals is still limited. This underutilization represents a missed opportunity, as investment in PsyCap strengthens employees' psychological resilience in the face of globalization, crises, and institutional change. Strategic efforts such as positive psychology training, coaching, and personal empowerment are therefore essential to fostering long-term organizational growth.

Moreover, current findings emphasize the important role of HAW in mediating the relationship between PsyCap and OCB. HAW, which includes dimensions of job satisfaction, affective commitment, and engagement, creates a supportive environment where employees are more likely to go beyond formal job expectations. These dimensions work together to shape a positive work experience: job satisfaction reflects role acceptance, affective commitment shows emotional attachment, and engagement indicates enthusiasm for one's tasks. Studies have shown that employees who experience higher levels of HAW tend to be more loyal, productive, and proactive in contributing to their organizations (Alshami et al., 2023; Farooq et al., 2024; Mousa et al., 2020; A. Singh & Banerji, 2022). Therefore, strengthening both PsyCap and HAW can help organizations build psychological well-being while enhancing effectiveness, loyalty, and voluntary contributions needed to navigate the challenges of bureaucracy and ongoing change in the public sector.

## CONCLUSION

This study revealed that PsyCap and HAW significantly influence OCB. Notably, HAW serves as a crucial intervening variable that enhances the relationship between PsyCap and OCB. Employees with high PsyCap are more likely to experience happiness at work, which subsequently motivates them to engage in extra-role behaviors. In this context, HAW functions not only as an outcome of personal psychological strengths but also as a psychological mechanism that translates internal resources into meaningful contributions beyond formal job duties. These findings highlight the role of emotional well-being in amplifying the effects of personal attributes on constructive employee behavior that supports organizational goals.

### Theoretical Implications

The theoretical contributions of this study are multi-fold. First, it addresses a research gap in the exploration of HAW within the public sector, a setting that has received relatively little attention. Second, it advances the understanding of the link between HAW and OCB, which has been recommended for further study across various organizational and cultural contexts. Third, this research clarifies the mediating role of HAW, demonstrating how it connects PsyCap to positive behavioral outcomes in the workplace. Furthermore, the study reinforces the Broaden-and-Build Theory by providing empirical support for the idea that positive emotions, such as workplace happiness, broaden thought-action repertoires and help build enduring personal resources that contribute to long-term work performance.

### Practical Implications

From a practical perspective, the findings of this study offer valuable insights for leaders and HR professionals in the public sector. Organizations are encouraged to develop PsyCap through targeted interventions that enhance self-efficacy, hope, optimism, and resilience, as these internal resources not only contribute to employees' psychological well-being but also foster higher levels of OCB. Moreover, given the partial mediating role of

HAW, which consists of job satisfaction, affective commitment, and work engagement, organizations should prioritize creating supportive work environments, recognition systems, and policies that promote work-life balance. By doing so, institutions can strengthen employee happiness and intrinsic motivation, thereby encouraging voluntary efforts that go beyond formal job requirements and ultimately contribute to improved organizational performance.

### **Limitations and Future Research**

Despite its valuable contributions, this study has several limitations. Its cross-sectional design restricts the ability to establish causality, as it only captures relationships at a single point in time. The focus on one public sector institution in Indonesia may limit the generalizability of the results to other organizational or cultural contexts. Furthermore, the reliance on self-reported data for measuring OCB could introduce perceptual or social desirability bias. The study also did not account for individual differences such as age, gender, tenure, or educational background, which may influence the relationships between variables.

Future research should consider adopting longitudinal designs to explore causal pathways more effectively. Expanding the study to include multiple institutions or comparing across sectors and countries would provide broader insights. Incorporating evaluations of OCB from supervisors or coworkers can help validate self-reported findings. Additionally, controlling for demographic variables and exploring contextual factors such as organizational support, justice perceptions, or workplace culture would offer a deeper understanding of the dynamics that drive HAW and OCB. Such efforts will contribute to a more comprehensive and contextually grounded perspective on positive work behaviors.

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### **Author Contribution**

Author 1: Conceptualization, writing of the original draft, data curation, formal analysis, investigation, methodology, visualization.

Author 2: Formal analysis, supervision, validation.

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### **Conflict of Interest**

The authors declare that there are no commercial or financial relationships that could potentially lead to a conflict of interest in the conduct of this research.

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