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OF PSYCHOLOGICAL CAPITAL AND GRIT IN THE
WORKPLACE**

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**Abstract:**

As millennials have emerged as the predominant cohort in the contemporary workforce, organizations are strategically required to strengthen psychological resources that facilitate sustained performance and retention. Accordingly, this study investigates the impact of Psychological Capital (PsyCap) a higher-order construct comprising hope, self-efficacy, resilience, and optimism on the formation of grit among millennial employees. This study employed a quantitative research design with a sample of 116 millennial employees selected through purposive sampling. Data were collected using the Revised Compound Psychological Capital Scale (CPC-12R) and the Short Grit Scale (Grit-S). The hypothesis was tested using simple linear regression analysis after confirming the assumptions of normality, linearity, and homoscedasticity. The findings revealed that psychological capital has a significant and positive influence on grit ($F(1, 114) = 108.210, p < .001$). The model summary showed an R-squared value of .487, indicating that PsyCap explains 48.7% of the variance in grit. Descriptive statistics showed that while all participants had high levels of grit, their PsyCap levels were evenly distributed between medium (50%) and high (50%), highlighting PsyCap as a key differentiating factor. The study provides strong empirical evidence that psychological capital is a significant antecedent to grit in the workplace. The results suggest that organizations can strategically empower their millennial workforce by implementing targeted interventions, such as training and coaching, to develop

PsyCap. Fostering these core psychological resources presents a practical pathway to enhancing employees' perseverance and passion, ultimately leading to improved performance and long-term commitment.

Keywords:

Psychological Capital, Grit, Millennial, Workplace

Introduction

The contemporary organizational landscape is increasingly defined by the values, expectations, and professional behaviors of the millennial generation (born 1981-1996), form the predominant segment of the global workforce (Pew Research Center, 2019). This demographic ascendancy necessitates a recalibration of talent management strategies. While characterized by a strong desire for purpose, rapid development, and meaningful feedback, millennials also report high levels of workplace stress and are associated with increased rates of voluntary turnover, a phenomenon often linked to a search for more supportive and empowering work environments (Gallup, 2016; Deloitte, 2022). Consequently, a critical challenge for modern organizations is to identify and cultivate the psychological resources that foster not only performance but also resilience and long-term organizational commitment.

In response, the field of positive organizational psychology offers valuable constructs for understanding and enhancing employee thriving. Two such constructs are central to empowering the millennial employee: Psychological Capital (PsyCap) and Grit. PsyCap is a higher-order, state-like resource comprising an individual's hope, self-efficacy, resilience, and optimism, which has been robustly linked to improved performance, job satisfaction, and well-being (Luthans & Youssef-Morgan, 2017). Parallely, Grit, defined as sustained perseverance and passion for long-term goals, has emerged as a powerful predictor of achievement and success in challenging contexts (Duckworth et al., 2007). While both are independently crucial, this paper advances the thesis that a strategic, causal relationship exists between them. We posit that Psychological Capital acts as a foundational antecedent, providing the core psychological assets necessary for the development and sustainment of Grit (Lee & Lee, 2020).

The theoretical linkage is clear. Hope provides the pathways and agency thinking that underpins the long-term goal orientation of grit. An individual who can envision multiple routes to a future goal (waypower) and believes in their ability to pursue them (willpower) is more likely to persevere through obstacles (Luthans & Youssef-Morgan, 2017). Self-efficacy directly fosters perseverance of effort; belief in one's capability to perform a task is a prerequisite for investing sustained effort, especially when challenges arise (Bandura, 2001). Resilience is the very mechanism that enables gritty individuals to bounce back from the failures and setbacks inherent in the pursuit of long-term goals. Without resilience, perseverance would crumble at the first sign of significant adversity (Maddi, 2005). Finally, Optimism, the expectation of positive outcomes, provides the motivational impetus to continue striving, framing challenges as temporary and overcome rather than as permanent roadblocks (Carver et al., 2010).

By synthesizing the theoretical and empirical literature, this will be determining this pathway, arguing that the most effective strategy for cultivating a gritty, high-achieving millennial workforce is to first invest in building their psychological capital. This study aims to investigate

the strategic role of PsyCap in predicting grit, and how these psychological constructs can be leveraged to empower millennial employees, enhance their workplace well-being, and improve long-term performance.

Literature Review

The millennial generation (born between approximately 1981 and 1996) now constitutes the largest segment of the global workforce, bringing a unique set of values, expectations, and challenges to the modern organization (Pew Research Center, 2019). Characterized as digitally native, purpose-driven, and desirous of rapid development and feedback, millennials have prompted a paradigm shift in talent management strategies (Gallup, 2016). However, they are also associated with higher rates of job turnover and are often reported to experience significant workplace stress and burnout, particularly in volatile and uncertain economic environments (Deloitte, 2022). Consequently, organizations face a strategic imperative to cultivate psychological resources that not only enhance performance but also foster retention and well-being.

This review posits that empowering millennials requires a focus on two critical psychological constructs: Grit and Psychological Capital (PsyCap). Grit, the capacity to sustain passion and perseverance for long-term goals, is essential for navigating career challenges. PsyCap, a higher-order construct comprising hope, efficacy, resilience, and optimism, represents a core set of personal resources that enable employees to thrive. Critically, this review will synthesize existing literature to argue that PsyCap is a foundational antecedent to Grit, suggesting that organizations can strategically empower their millennial employees by first investing in the development of their psychological capital.

Grit was conceptualized by Duckworth et al. (2007) as "perseverance and passion for long-term goals." It is a non-cognitive trait that encompasses two key dimensions: consistency of interest (passion) and perseverance of effort. Individuals with high levels of grit maintain focus on their overarching objectives over extended periods, navigating setbacks and failures without abandoning their path. In the workplace, grit has emerged as a significant predictor of success across various domains. It is positively correlated with job performance, career stability, and leadership effectiveness (Robertson-Kraft & Duckworth, 2014; Eskreis-Winkler et al., 2014). For millennials, who often seek meaningful and impactful careers, grit is the psychological engine that allows them to persist through the inevitable obstacles encountered in the pursuit of ambitious goals. It enables them to transform passion into tangible achievement, thereby counteracting tendencies toward disengagement when faced with monotonous or challenging tasks (Credé et al., 2017). While the importance of grit is well-established, a critical question for organizations is how this valuable trait can be cultivated rather than merely selected for.

Psychological Capital (PsyCap) is a positive psychological state of development defined by Luthans et al. (2007) and characterized by four key components, often remembered by the acronym HERO:

Hope: The willpower to pursue goals and the waypower (pathways) to reach them.

Self-Efficacy: The confidence to take on and successfully execute challenging tasks.

Resilience: The capacity to bounce back from adversity, conflict, or failure.

Optimism: Making positive attributions about succeeding now and in the future.

Unlike personality traits, which are relatively stable, PsyCap is considered "state-like," meaning it is malleable and open to development through targeted interventions (Luthans et

al., 2007). A substantial body of research demonstrates its positive impact in organizational settings, linking high PsyCap to increased job satisfaction, organizational commitment, employee well-being, and superior job performance (Avey et al., 2011; Luthans et al., 2010). For millennials who value personal growth and development, the concept of a developable psychological resource is particularly resonant.

While both PsyCap and Grit are positive psychological resources, a growing body of theoretical and empirical evidence indicates a directional relationship where PsyCap serves as a significant antecedent to Grit. The psychological resources embedded in PsyCap provide the fuel and foundation necessary to sustain the long-term perseverance and passion that define grit.

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Empirical research has substantiated this directional relationship. For instance, a study by Lee and Lee (2020) exploring the antecedents of grit among employees found that PsyCap was a significant positive predictor of grit. Their structural equation modeling revealed that the internal resources provided by PsyCap directly contribute to an individual's capacity for sustained effort and passion. Similarly, research in academic and athletic domains has consistently shown that the components of PsyCap foster the development of grit. Hodge et al. (2009) found that hope and optimism were key predictors of grit among elite athletes, a population for whom long-term perseverance is paramount. In a meta-analytic review, Luthans et al. (2010) noted that the resources of PsyCap are what enable individuals to "invest" in future-oriented goals, which is the very essence of grit. Therefore, PsyCap is not merely correlated with grit; it is a fundamental psychological resource that enables grit to emerge and be sustained over time.

To empower the millennial workforce, organizations must move beyond simply demanding grit and instead adopt a strategy of actively cultivating it. The literature strongly suggests that the most effective pathway to fostering grit is through the development of Psychological Capital. Because PsyCap is state-like and developable, organizations can implement targeted training, coaching, and leadership development programs aimed at bolstering hope, efficacy, resilience, and optimism. By investing in the HERO within their millennial employees, organizations create a fertile psychological ground from which grit can grow. This approach not only enhances performance and achievement but also promotes well-being and engagement, addressing the core needs and values of the millennial generation and ultimately building a more resilient and empowered workforce for the future.

Method

This study employed a quantitative research design to examine the relationship between psychological capital and grit. In this design, psychological capital was positioned as the independent variable, hypothesized to influence grit as the dependent variable.

Psychological Capital: Defined as an individual's positive psychological state of development, characterized by: (a) Hope: having goals and devising pathways to achieve them; (b) Self-Efficacy: having the self-awareness to choose and pursue what is necessary to complete tasks; (c) Resilience: the ability to adapt to failure and bounce back to continue efforts toward success; and (d) Optimism: making positive attributions about one's ability to achieve success both now and in the future.

Grit: Defined as the tenacity, endurance, and drive of an employee to persist in their job interests over the long term, even when the job involves a heavy workload and high legal implications. An individual with high grit can maintain focus on their work and is not easily distracted by other matters.

The population for this study consisted of 116 millennial employees. The sample was selected using a purposive sampling technique, wherein participants were chosen based on specific criteria relevant to the research objectives.

Data was collected using psychological scales based on a Likert-type model. The two primary scales used were:

The Revised Compound Psychological Capital Scale (CPC-12R): This scale was used to measure psychological capital. The version constructed by Prochazka et al. (2023) was utilized. This instrument was chosen because it was developed from the CPC-12 scale (Dudasova, 2021) and the CPC-12R by Lorenz et al. (2022), and it has been validated on a sample of workers with broader sociodemographic characteristics compared to the previous version, which focused on a German population.

The Short Grit Scale (Grit-S): This scale, constructed by Duckworth & Quinn (2009), was used to measure grit.

Response options for both scales were scored on a 4-point range as follows: Strongly Agree (score of 4), Agree (score of 3), Disagree (score of 2), and Strongly Disagree (score of 1).

To test the research hypothesis that psychological capital significantly predicts grit, a simple linear regression analysis was conducted. The core analysis involved a simple linear regression with the total score for psychological capital serving as the independent variable and the total score for grit as the dependent variable. Before conducting the regression, several assumptions of linear regression were tested to ensure the validity of the results including linearity of the relationship, homoscedasticity, and normality (Field, 2018).

Result & Discussion

Descriptive analysis of the variables revealed that 100% of the 116 millennial employees in the sample were categorized as having a high level of grit. For psychological capital (PsyCap), the results were evenly distributed: 58 employees (50%) were categorized as having a medium

level of PsyCap, and the remaining 58 employees (50%) were categorized as having a high level of PsyCap.

Before conducting the primary hypothesis testing, a series of assumption tests were performed to ensure the data met the requirements for simple linear regression.

1. Normality Test: The One-Sample Kolmogorov-Smirnov test was conducted to assess the normality of the residuals. The result showed a test statistic of .073 with an asymptotic significance (2-tailed) of .179. As this significance value is greater than .05 ($p > .05$), the assumption of normality was met, indicating that the data is normally distributed.

2. Linearity Test: The relationship between psychological capital and grit was tested for linearity. The ANOVA table revealed a significant linear relationship, with $F(1, 114) = 157.582$, $p = .000$. This indicates that the assumption of linearity between the independent and dependent variables is satisfied.

3. Multicollinearity and Homoscedasticity: Diagnostic tests were performed to check for multicollinearity and heteroscedasticity. The Variance Inflation Factor (VIF) for psychological capital was 1.000, and the Tolerance value was 1.000. Since the VIF is less than 10 and the Tolerance is greater than 0.10, there was no evidence of multicollinearity. Furthermore, a test for heteroscedasticity using the absolute residuals showed that the predictor (psychological capital) had a significance value of .207. As this p-value is greater than .05, it can be concluded that the assumption of homoscedasticity was not violated.

A simple linear regression was conducted to test the hypothesis that psychological capital significantly influences grit among millennial employees. The results of the regression indicated that the model was statistically significant, $F(1, 114) = 108.210$, $p < .001$.

Table 1: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	404.087	1	404.087	108.210	.000 ^b
	Residual	425.707	114	3.734		
	Total	829.793	115			

a. Dependent Variable: Grit

b. Predictors: (Constant), Psychological Capital

The model summary revealed an R Square value of .487, indicating that psychological capital explains 48.7% of the variance in grit. The adjusted R Square was .482.

Table 2: Model Summary

Adjusted R Square	Std. Error of the Estimate
.482	1.93243

a. Predictors: (Constant), Psychological Capital

The regression coefficient for psychological capital was statistically significant ($B = .399$, $\beta = .698$, $t = 10.402$, $p < .001$). This result indicates that for each one-unit increase in psychological capital, there is a corresponding .399-unit increase in grit. Therefore, the research hypothesis is supported: psychological capital has a significant and positive influence on grit.

Table 3: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	11.466	1.422		8.064	.000		
Psychological Capital	.399	.038	.698	10.402	.000	1.000	1.000

a. Dependent Variable: Grit

The primary objective of this study was to determine the influence of psychological capital on grit among millennial employees. The results of the simple linear regression analysis confirmed the research hypothesis, demonstrating that psychological capital is a significant positive predictor of grit. This finding aligns with a growing body of literature suggesting that positive psychological resources are foundational to developing the tenacity and long-term perseverance characteristic of gritty individuals (Lee & Lee, 2020; Luthans & Youssef-Morgan, 2017).

An interesting finding from the descriptive statistics was that while all participants were categorized as having high grit, their psychological capital was split evenly between medium and high levels. This suggests that even within a high-achieving, tenacious cohort, variations in PsyCap are still present and meaningful. The regression analysis revealed that psychological capital accounted for a substantial 48.7% of the variance in grit. This is a noteworthy finding, suggesting that even when all employees demonstrate high grit, nearly half of the variation in the *degree* of their grit can be attributed to their levels of hope, self-efficacy, resilience, and optimism. This strong predictive relationship underscores the theoretical linkage between the two constructs. An employee who is hopeful, confident, resilient, and optimistic has the necessary psychological fuel to sustain effort and maintain passion for long-term goals at the highest level (Duckworth et al., 2007).

From a practical standpoint, these findings have significant implications for organizations seeking to empower their millennial workforce. The results suggest that while the employee sample is already gritty, there is a clear opportunity for further enhancement by elevating those with medium PsyCap to a high level. Given that millennials often seek supportive and developmental work environments (Gallup, 2016), and that psychological capital is a malleable, state-like resource (Luthans et al., 2007), organizations can strategically foster grit by investing in PsyCap development. Interventions such as targeted training workshops, coaching, and leadership practices aimed at enhancing hope, efficacy, resilience, and optimism could be highly effective. By building these core psychological resources, organizations can help employees move from medium to high PsyCap, thereby maximizing their already strong grit and leading to higher engagement, performance, and retention.

While the results are compelling, it is also important to acknowledge that 51.3% of the variance in grit is influenced by other factors not included in this model. Future research could explore other potential antecedents, such as leadership styles, organizational culture, or specific job characteristics, to build a more comprehensive model of grit in the workplace. Additionally,

this study utilized a cross-sectional design; longitudinal studies could provide stronger evidence of the causal relationship between psychological capital and the subsequent development of grit over time.

Conclusion

The study successfully achieved its objective and provides empirical support for the theorized causal linkage between PsyCap and grit. This study contributes to the literature on positive organizational psychology by providing empirical evidence that PsyCap is not only correlated with but also serves as a foundational antecedent of grit. It advances theoretical understanding by integrating the HERO model (Hope, Efficacy, Resilience, Optimism) with the perseverance of effort and consistency of interest elements of Grit, showing how psychological resources fuel long-term goal pursuit.

The findings have several implications for Organizational Practice, companies can design PsyCap-based training, coaching, and leadership initiatives to strengthen hope, efficacy, resilience, and optimism, thereby indirectly enhancing grit. For Talent Retention, by investing in PsyCap, organizations may address high turnover rates among millennials by fostering resilience and long-term commitment. For Employee Well-being, since PsyCap is a fair resource, interventions to develop it not only boost performance but also improve well-being, aligning with millennials' desire for supportive and meaningful work environments.

Limitation from this research is single-context sample (116 millennial employees) may restrict generalizability; broader and more diverse populations should be studied. And for the future research, can explore other predictors and mediators of grit, such as organizational support, leadership, motivation, or workplace climate. Expand the study across different generational cohorts (e.g., Gen Z, Gen X) or cultural contexts to test the universality of findings.

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