

THE MODERATING EFFECT OF GENERATIONAL CHARACTERISTICS ON THE RELATIONSHIP BETWEEN PSYCHOLOGICAL CAPITAL AND JOB PERFORMANCE: THE DEVELOPMENT OF CONCEPTUAL FRAMEWORK

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ABSTRACT

Employee job performance plays a pivotal role in ascertaining an organisation's competitive edge. Despite the recent surge in interest in Psychological Capital (PsyCap) as a novel approach to augmenting employee job performance, this area of study has received limited attention in the Malaysian context. Meanwhile, the issue of stress and anxiety appears to be closely associated with Generation Z (Gen Z). As the youngest cohort in the workforce, the initial phase of Gen Z's entry into the workplace gives rise to various concerns, including job engagement and job turnover. Despite extensive discussions on these matters in recent studies, the understanding of their impact on job performance and the underlying mechanisms remains limited. Hence, this conceptual paper aims to propose a conceptual model that empirically examines the relationship between PsyCap and job performance. Additionally, the role of generational characteristics as a moderator in this relationship will also be explored. The proposed conceptual framework holds significant potential for contributing to future research endeavours.

Keywords: Psychological Capital, Job Performance, Generational Characteristics, Gen Z

1.0 INTRODUCTION

A nation's economic well-being heavily relies on the strong job performance of its employees. This enhances productivity, innovation, and consumer expenditure, all of which contribute to a robust and competitive economy. Employees who demonstrate exceptional performance are more efficient and productive. When a significant segment of the workforce exhibits outstanding performance in their respective roles, it leads to elevated levels of efficiency and the creation of commodities and amenities, thereby fortifying a nation's Gross Domestic Product (GDP). Furthermore, employee performance is closely linked to job security, higher earnings, and greater disposable income. Consequently, because of this, there is a rise in the expenditure by consumers, which functions as a noteworthy driver for the advancement of the economy (OECD, 2023).

Meanwhile, the highly adept and digitally native Generation Z (Gen Z) brings fresh perspectives and skills that are vital for driving the industry's digital transformation. Gen Z is subject to the influence of multiple factors, encompassing their upbringing in an epoch post the catastrophic 9/11 incident, the financial slump acknowledged as the formidable Great Recession, and the ubiquity of technology and social media platforms (McKee-Ryan, 2021). The entrance of Gen Zers into the labour force introduces novel prospects and difficulties within the existing work milieu. Gen Z personnel can contribute to enhancing the overall client experience, developing innovative solutions, and improving operational efficiency in organisations due to their comfort and familiarity with technology. Managers must possess a comprehension of the distinct attributes and conduct of the generation known as Gen Z to proficiently oversee and incorporate them within the professional environment (Schroth, 2019).

Despite the triumphant resolution of the most severe worldwide epidemic in history, it is worth noting that individuals within the workforce have consistently experienced elevated levels of anxiety. Deloitte's 2023 Gen Z and Millennial Survey highlighted that Gen Z members frequently experience stress and anxiety. 42% of Gen Z in Malaysia and 46% of Gen Z globally claimed to feel anxious or stressed all or most of the time. The same survey also reported that 44% of Malaysian Gen Z and 42% of Gen Z globally are concerned about their mental health. Other than stress and anxiety, employee burnout also contributes to employee's mental health and correlates with turnover intention (Hadi & Adriansyah, 2023). This is where psychological capital, often known as PsyCap, has recently acquired more traction in organisational behaviour. PsyCap has been empirically demonstrated to exert an influence on the conduct, disposition, and occupational achievement of employees (Castro, 2023; Ali et al., 2022; Feng, 2020; Shahzad, 2022; Georgiou et al., 2021). PsyCap, in essence, pertains to the constructive mental resources possessed by an individual, namely hope, self-efficacy, resilience, and optimism, collectively referred to as HERO (Luthans et al., 2015), which enable them to effectively cope with challenging circumstances and perform proficiently within the workplace.

In the meantime, a limited amount of research has discovered a noteworthy association between PsyCap and employee performance, in which variables like age, gender, and tenure act as moderators (Wu & Nguyen, 2019). The efficacy of the connection has been evaluated in the compatibility of persons and establishments, along with the agreement between individuals and their occupational responsibilities (Choi and Cho, 2020). Moreover, according to Kappagoda et al. (2014), the significance of work ethics has also been unearthed to be notable within this framework. However, additional investigation is required to determine the extent to which Gen Zers' characteristics moderate this relationship. According to Scholz (2019), practically, all the early research on Gen Z was done in the United States, which gave this group a biased perception. Gen Zers' tastes, visions, and characteristics differ by location (Scholz, 2019) or even by how they see their workplaces (Leslie et al., 2021) based on external situational elements like events, crises, technological advancements, or youth-related trends. Research carried out in diverse regions, encompassing Asia and Europe, will make a substantial contribution towards attaining a more all-encompassing perspective. This is achieved by considering disparities in educational frameworks, societal anticipations, and professional standards. It is of utmost importance for organisations to comprehend the requirements and perspectives of Gen Z to formulate effective strategies and policies that guarantee the establishment of a conducive and cooperative setting (Tang, 2019).

Therefore, this study aims to investigate the association between PsyCap and job performance with the moderation effect of Gen Zers' characteristics. This study introduces a ground-breaking subject on which limited prior research has concentrated particularly by

comprehensively testing the PsyCap dimensions on the job performance of Gen Z. This study's contribution will provide a deeper comprehension and greater awareness of how Gen Z relates to the workforce and the workplace. The generated information will also yield data that can serve as evidence to back up forthcoming investigations. In addition, it will aid human resource management (HRM) in more effectively addressing the requirements of individuals from Gen Z, while simultaneously enhancing the company's worth. The practical consequences of the study are crucial for HRM in any organisation, especially in the aspect of intervention planning strategies and talent search procedures.

2.0 CONCEPTUALISATION OF VARIABLES

2.1 Job Performance

The attainment of triumph within a corporation is heavily reliant on the execution of its personnel in their roles, as this exerts a direct influence on the degrees of output, efficacy, and entirety of commercial outcomes. In the pursuit of achieving excellence, it becomes of utmost importance to comprehend the methods that can enhance and optimize employee performance. Motowidlo et al. (2014) proposed a theoretical framework for understanding job performance, which posits it to be behavioural, episodic, evaluative, and multi-dimensional. According to the authors, job performance can be defined as the collective value of the discrete behavioural episodes carried out by individuals within a specified timeframe. One crucial element of this theory lies in its claim that the understanding, abilities, professional routines, and characteristics linked to the execution of tasks vary from those associated with the execution of contextual duties.

2.1.1 Task Performance

According to Albert (2022), task performance pertains to the execution of precise job-related activities or tasks, such as the completion of assignments or the adherence to deadlines. It centres on an individual's capacity to carry out the required tasks with accuracy and efficiency. The nature of task performance revolves around an individual's adeptness in executing specific job-related tasks. Additionally, the significance of task execution resides in its immediate association with the precise employment obligations and duties, and task performance can be assessed using unbiased criteria, such as precision and effectiveness in accomplishing assignments. Within the context of the workplace, task performance pertains to the precise job-related activities and obligations that an employee is anticipated to fulfill (Koopmans et al., 2014). It is assessed through objective or subjective indicators of job performance. Corbeanu and Iliescu (2023) further added that task performance is influenced by individual-level factors, such as ability and motivation. A recent investigation conducted by Edgar et al. (2021) unveiled the significant influence of both ability and motivation on the execution of tasks.

2.1.2 Contextual Performance

Contextual performance refers to behaviours that contribute to the overall functioning of the organisation yet are not directly linked to the specific tasks or job requirements (Landy et al., 2017). These behaviours encompass actions such as aiding colleagues, volunteering for additional responsibilities, and engaging in organisational citizenship behaviours. It concerns itself with behaviors that enhance the overall functioning of the organisation extend beyond tasks and contribute to the overall effectiveness of the organisation. The research conducted by Palenzuela et al. (2019) postulates that there exists a correlation between contextual performance, the quality of working life, and the health of professionals. Investigations conducted in Malaysia have undertaken an examination of various factors that are linked to employee performance. The

variables encompass telecommuting (Ishak et al., 2022), duration of employment (Ahmad et al., 2021), the execution of efficient human resource management (HRM) strategies (Lim & Ahmad, 2021), organisational atmosphere (Abdullahi et al., 2021), in addition to time constraints and skill autonomy (Zainuddin et al., 2021). Therefore, considering the progress of organisations, the comprehension, and management of employee job performance remain crucial foundations for promoting productivity, creativity, and sustainable growth.

2.2 Psychological Capital

Luthans et al. (2007) formulated the concept of Psychological Capital (PsyCap), which denotes the advantageous mental state of an individual's progress, encompassing elements such as hope, self-assurance, adaptability, and positive outlook. The underpinnings of theory and research, quantifiability, the potential for development, and association with positive work outcomes have firmly linked PsyCap to favourable organisational behaviour (Luthans, 2002a; Luthans, 2002b). Moreover, the theoretical and empirical proof extensively upholds the separate legitimacy of every positive psychological concept, including self-efficacy, hope, optimism, and resilience (Snyder, 2000 as mentioned in Lin et al., 2023). PsyCap is widely acknowledged as a crucial asset within work settings and has proven to have a favourable impact on both the effectiveness of organisations and individual job performance. Additionally, scholars have recognized the considerable value of PsyCap as a sustainable competitive advantage within the context of dynamic business environments (Goswami & Goswami, 2023).

2.2.1 PsyCap and Job Performance

The concept of PsyCap encompasses an individual's constructive psychological state of growth, which includes elements such as hope, self-efficacy, resilience, and optimism, collectively known as HERO. Empirical investigations have yielded substantiation that psychological capital, encompassing personal assets such as optimistic perspective, aspiration, adaptability, and self-confidence, possesses the capacity to engender a favourable influence on occupational effectiveness (Hsu et al., 2014). It has been determined that psychological capital engenders a surge in favourable workplace conduct, a decline in negative behaviours, and the mitigation of stress-related manifestations (Abbas & Raja, 2015; Kryshantovych et al., 2022; Brunetto et al., 2022). In a separate study centred on individuals seeking employment, Georgiou et al. (2022) revealed that the acquisition of psychological capital training yielded heightened levels of job search endeavours and augmented rates of employment.

PsyCap has attracted significant attention in Malaysia and has been the primary subject of extensive investigations aimed at examining its influence on employee well-being and organisational performance (Othman, 2021; Jiony et al., 2021; Alias et al., 2020; Abdullah & Sabri, 2022). Scholars also have underscored the importance of cultivating PsyCap among individuals in the social welfare sector to ensure their well-being and effectiveness (Al-Abrarb et al., 2023). Moreover, Hassian et al. (2022) have highlighted the pivotal role played by PsyCap in optimizing organisational performance. However, the exploration of PsyCap in Malaysia has been confined to a select few domains, namely education (Othman, 2021), the hospitality sector (Jiony et al., 2021), and the governmental sphere (Alias et al., 2020), despite the introduction of PsyCap as early as 2002. These studies have identified gaps in the theoretical development and empirical research on PsyCap in Malaysia, thereby underscoring the necessity for further investigation.

2.2.2 Hope and Job Performance

According to the research conducted by Snyder et al. (1991), the notion of hope can be defined as a constructive motivational condition that arises from a perception of achievement, which is obtained from interconnected origins. Furthermore, it entails both the concepts of agency and pathway. The agency represents the focused vigour towards attaining a particular objective, while the pathway signifies the strategic planning employed to realize said objectives. In his works, Snyder (2000) elucidates hope as "the fusion of both the volition (agency) and the means (pathways) at one's disposal for the achievement of personal aspirations." It epitomises the determination to attain the desired outcome (Snyder, 2000; Snyder et al., 1996). As posited by Snyder (2000), agency and pathways thinking are interrelated and function in a synergistic, iterative manner to engender hope. The job performance of employees can be positively influenced by hope, as indicated by numerous studies. A comprehensive analysis of 133 effect sizes derived from 45 primary studies unveiled a statistically significant and positive connection between hope and work performance (Reichard et al., 2013). Another investigation underscored the advantages of hope in the workplace, encompassing enhanced performance, heightened employee engagement, increased job satisfaction, and improved mental well-being (Wandeler et al., 2016).

Moreover, scholarly inquiry has indicated that hope is positively linked to job performance, optimism, and creativity, and it can also forecast performance when combined with creativity (Carlomagno et al., 2014). Meanwhile, Mishra et al. (2016) have reported that hope has exhibited a favourable connection with job contentment while displaying an adverse relationship with indicators of stress. Despite a limited body of literature within the Malaysian context, the authors agreed with the crucial role of hope in augmenting both employee job performance and well-being. For instance, Alias et al. (2020) examined the concept of PsyCap in the public sector, while Chan and Hooi (2023) investigated the impact of rewards and acknowledgments on employee motivation, which in turn influences employee performance. Therefore, hope has been recognized as a significant psychological asset that contributes to academic achievement, career advancement, and job performance. This underscores the importance of fostering hope among employees to achieve superior organisational performance.

2.2.3 Self-Efficacy and Job Performance

Self-efficacy can be defined as the belief in one's ability to mobilize the motivation, cognitive resources, and courses of action necessary to perform a specific action within a given context (Stajkovic & Luthans, 1998, p. 66). Bandura's 1997 social cognitive theory functions as the fundamental basis for self-efficacy. Bandura (1997) asserts that self-efficacy holds considerable influence over both personal and professional lives through its impact on cognition and motivation. Individuals with higher levels of self-efficacy are characterized by their ability to select challenging goals for themselves and then devote substantial time and energy to achieving those goals despite obstacles or barriers. Self-efficacy plays a crucial role in job outcomes, as evidenced by its correlation with job performance, job satisfaction, turnover intentions, and other related factors (Youssef & Luthans, 2005). Employees who possess strong self-efficacy are more confident in their ability to handle daily tasks and effectively address long-term challenges. Self-efficacy exerts a substantial impact on the job performance of employees.

Numerous investigations have demonstrated a positive correlation between self-efficacy and individual motivation, self-confidence, proactive behaviour, and work performance (Lyons & Bandura, 2018; Mishra et al., 2016; Wang et al., 2021; Lin et al., 2021). It is important to

acknowledge, however, that the association between self-efficacy and job performance does not always follow a linear pattern. An excessive level of self-efficacy can hinder success, whereas a low level of self-efficacy may not necessarily impede success if employees perceive their work environment as supportive (Guillén, 2021). On the contrary, Setyawati et al. (2022) claimed that there is an insignificant effect of work motivation on employee performance, while Carter et al. (2018) asserted that self-efficacy has an additive effect when combined with employee engagement in explaining job performance.

2.2.4 Resilience and Job Performance

Resilience is the ability to sustain and recover from issues, conflicts, failures, or situations that require increased responsibility (Luthans et al., 2007). Another view by Stewart et al., (1997), claimed that the ability of individuals to deal well in the face of considerable change, hardship, or risk is defined as resiliency. Harms and Wood (2016) defined resilience as the capacity to uphold both one's state of well-being and performance even in the face of challenging circumstances, while also possessing the ability to quickly recover from setbacks. Well-being and resilience are essential to managing unwanted behaviour through empowerment (Abbas, 2022), whereas Carter and Youssef-Morgan (2019), claimed that resilience is required to maintain inner motivation and support during organisational change. The common denominator across these outcomes is an individual's ability to not only deal with setbacks or weaknesses but also recover to a former state or level.

Resilient people can recover quickly from stressful circumstances and successfully manage high demands at work. Furthermore, high-resilient employees can keep a positive attitude and overcome challenges by concentrating on their strengths and possibilities. Studies indicate that increased levels of resilience are linked to improved job performance (Weiss et al., 2023; Beuren et al., 2022; Crane, 2021). Moreover, employees who demonstrate resilience are more likely to experience favourable outcomes in demanding work environments, which encompass reduced stress levels, decreased burnout, and fewer sleep-related issues, as well as heightened job satisfaction and enhanced productivity (Shatté et al., 2017). Kim (2020) claimed that the establishment of organisational resilience, which is fostered by resilient employees, holds a positive influence on the work-role performance of employees, including their proficiency, adaptability, and proactivity.

2.2.5 Optimism and Job Performance

Optimism is defined as a generalised expectation of a favourable outcome (Carver & Scheier, 2002), while Seligman (1998) defined optimism in positive organisational behaviour (POB) as pervasiveness, persistence, and personalization. Permanence simply means that optimists often regard negative outcomes or occurrences as fleeting and positive outcomes as long-lasting. In terms of pervasiveness, optimists allow positive outcomes and results to fulfill one's entire life rather than just one area (e.g., work, family, etc.). Optimists prefer to look externally for reasons why terrible events occur while internalising positive events. As a result, employees with high levels of optimism appear to embrace happy outcomes because of their work, effort, and so on, while dismissing unpleasant events because of chance or coincidence.

When confronted with uncertain situations such as employment, an optimistic employee anticipates things to turn out positively. However, according to Ngan et al. (2019), employees in the initial stage of their careers often possess idealistic and overly positive expectations regarding their prospects for advancement, which can result in adverse outcomes in terms of reduced job

satisfaction. Furthermore, optimism holds a significant organisation role in exerting influence over the job performance of employees. As evident, extensive research substantiates the claim that individuals with a positive perspective and an optimistic mindset tend to experience higher levels of job satisfaction and achieve superior performance outcomes (Kenneally, 2020; Hough et al., 2020; Jensen et al., 2007). Consequently, by cultivating a sense of optimism among employees, organisations can effectively enhance job performance and overall organisational outcomes.

2.3 Generational Characteristics

Generational differences in the workplace have garnered significant attention; however, there is a scarcity of empirical evidence to substantiate the assertion that generations are inherently dissimilar (Stassen et al., 2016). The current literature on generational distinctions needs a stronger foundation of empirical evidence and theoretical support. However, according to Lowe et al. (2020), managers must acknowledge individual differences and treat employees as unique entities, rather than relying on stereotypical generational assumptions. Generational characteristics, on the other hand, pertain to the distinctive perspectives, values, and qualities shared among individuals of a specific generation because of experiencing comparable life-altering occurrences during pivotal developmental stages (Barak, 2022). Societal modifications, such as the decline of a political regime and subsequent metamorphosis of structures and norms can impact these attributes. Millová et al. (2021) asserted that generational theory can be employed to forecast individual conduct and exploit shared qualities within the professional or educational milieu. Scholarly inquiry has investigated various approaches aimed at optimizing the capacity for learning among millennial students through an understanding of their characteristic traits. Attributes associated with different generations are shaped by both individual and societal factors and can be employed to comprehend and engage distinct generations within a range of contexts (Millová et al., 2021; Syed & Nguyen, 2021).

2.3.1 Generational Characteristics and Job Performance

The effects of generational characteristics on employee job performance can manifest in various ways. According to Cao and Hamori (2023), developmental job experience (DJE) exhibits a positive indirect correlation with job performance by enhancing employees' quest for information and support. This correlation is more pronounced among employees who work in teams with a high average DJE and low DJE variance. While extensive research has been conducted on generational disparities in work-related factors, including personality, work values, attitudes, and career patterns, the evidence regarding the differentiation of generations in the workplace is scarce and contradictory (Lyons & Kuron, 2014; Stassen et al., 2016). Furthermore, Aggarwal et al. (2023) posited that the human resources policies and practices implemented can influence job satisfaction and performance among employees of Gen Z. Factors such as flexible work practices, reward and recognition systems, compensation and benefits, feedback-seeking behaviour, and participation in voluntary work positively impact Gen Z. Nevertheless, further research is required to comprehensively comprehend the relationship between generational characteristics and job performance.

2.3.2 Generational Characteristics and PsyCap

The PsyCap of employees is influenced by generational characteristics. The younger generation of employees experiences a distinct developmental environment characterized by rapid economic progress and diverse values, which in turn affects their mental state and adaptability. In the realm of human resource management, it is crucial to effectively manage the PsyCap of these employees (Xin, 2022). According to Kim et al. (2021), the innovative behavior of employees is indirectly influenced by their developmental work experience, through the lens of

their PsyCap and burnout. This connection is shaped by the employees' perception of job mobility within the organisation. Meanwhile, the mediating role of job crafting, undertaken by employees, comes into play in the relationship between psychological capital and innovation outcomes.

The proactive personality of the employees moderates this mechanism as reported by Tho (2022). A positive correlation exists between PsyCap and employee performance and job satisfaction, while an inverse relationship is observed with job insecurity and stress. The support provided by supervisors for creativity, along with the characteristics of the job, effectively modulate the relationship between PsyCap and self-reported employee creativity as claimed by Cai et al. (2019). In conclusion, the characteristics associated with different generations influence the PsyCap of employees, which subsequently impacts outcomes such as job performance, innovation, and job satisfaction. The provision of support by supervisors and favourable job characteristics can enhance the impact of PsyCap on employee creativity.

2.4 Underpinning Theory

In the realm of scholarly inquiry, the underpinning theory serves as a fundamental framework and theoretical basis upon which research is built. It serves as a guiding force for researchers as they embark on the design of their studies, aiding in the comprehension of existing knowledge and pertinent concepts germane to the subject of investigation. This particular study is situated within the context of two pivotal theories.

2.4.1 Job Demand-Resource (JD-R) Theory

The JD-R (Job Demand-Resource) Theory serves as a framework aimed at comprehending the correlation between workplace satisfaction and productivity (Bakker et al., 2007). Job Demand refers to the characteristics of a job that necessitate exertion, be it physical, psychological, or emotional, and are associated with costs. The theoretical proposition posits that elevated work-related requisites have the potential to engender stress and debilitate well-being, whereas heightened work-related assets have the propensity to augment drive and efficacy (Bauer et al., 2014; Schaufeli & Taris, 2013). Job resources, such as autonomy, feedback, and opportunities for development, can alleviate the adverse effects of job demands and enhance work engagement.

However, according to Schieman (2013), excessive or persistent job demands may result in fatigue and a decline in health. This process can ultimately lead to burnout and health-related concerns. In contrast, job resources can enhance motivation and yield positive work outcomes, such as enhanced job performance and job satisfaction. Individuals are more likely to be interested and motivated in their work when they possess the necessary resources. The core concept of the JD-R Theory revolves around achieving a balance between work demands and resources. This equilibrium is crucial in ensuring employee well-being and productivity. To promote a more conducive work environment, organisations can employ this theory to identify and manage job requirements and resources.

2.4.2 Generational Theory

The theory of generations, also known as the sociology of generations, was initially proposed by Karl Mannheim in 1928 in his article "Das Problem der Generationen." This theory was later translated into English in 1952 as "The Problem of Generations." According to Mannheim's theory, the social consciousness and perspective of young individuals maturing during a specific period

are greatly influenced by the primary historical events that occur in that time and place, which is referred to as their "generational location." Meanwhile, Barak et al. (2022) asserted that generational theory postulates the notion that individuals belonging to a specific cohort possess distinct viewpoints, principles, and characteristics because of encountering identical transformative occurrences during pivotal periods of their development. Mannheim (1952) highlighted that not every generation will exhibit a unique and distinctive consciousness. The extent to which societal change occurs significantly impacts whether a generation can develop a distinct consciousness.

Additionally, the author also claimed that individuals acquire significant values from their parents and local communities, resulting in each cohort holding the same fundamental principles throughout their lives. However, each new generation learns about the world and develops a different perspective on society. This theory has the potential to serve as a mechanism for forecasting an individual's actions and exploiting common characteristics in diverse environments, such as the professional realm or educational institutions (Barak et al., 2022). Generational theory has also found practical application in various domains such as e-commerce, pedagogy, medicine, tourism, and marketing, to comprehend consumer inclinations and broaden the scope of target demographics as claimed by Alanen (2020). In the context of this study, the theory of generations serves as the foundation for understanding the influence of generational characteristics on the relationship between PsyCap and job performance.

3.0 METHODOLOGY

This study examines the extant body of literature about the variables and the empirical data concerning each variable to construct the conceptual framework. A total of 93 articles were scrutinized to ascertain the concepts, their dimensions, and the interrelationships among them.

4.0 DEVELOPMENT OF CONCEPTUAL FRAMEWORK

This study focuses on four dimensions of PsyCap: hope, self-efficacy, resilience, and optimism (Luthans et al., 2015) as predictors of job performance with the influence of generational characteristics (see Figure 1).

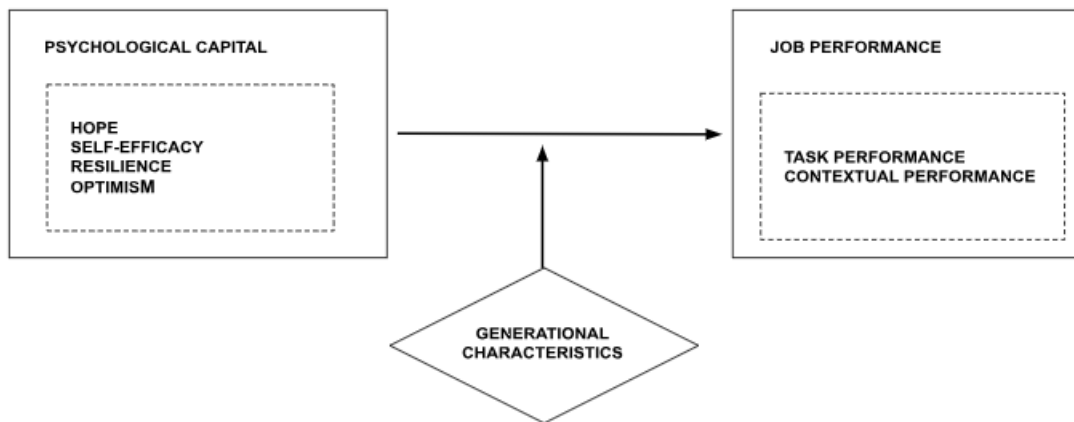


Fig. 1: Conceptual Framework

From the proposed framework, the following hypotheses are suggested:

H1: There is a significant positive influence of psychological capital (hope, self-efficacy, resilience, optimism) on the employee job performance.

H2: Generational characteristics significantly moderate the relationship between psychological capital (hope, self-efficacy, resilience, optimism) and employee job performance.

5.0 CONCLUSION

This conceptual paper presents the conceptual model within the context of Malaysia. While previous studies have established a positive direct association between PsyCap and job performance, the potential moderating effect of generational characteristics remains untested thus far. Empirical evidence suggests that there are linkages among the constructs. As such, Gen Z characteristics can serve as a moderating variable that may affect the direct relationship between PsyCap and job performance.

This review will make a valuable contribution to the existing body of knowledge regarding the literature on organisational behaviour. Moreover, it holds significant practical implications for the promotion of workforce diversity within the contemporary workplace. By understanding these dynamics, organisations can create a work environment that fosters employee well-being, ultimately leading to enhanced organisational performance. Understanding the attitudes, values, and expectations of this generation can enable organisations to fully leverage their potential, thereby fostering a more productive and cohesive workforce. This, in turn, can result in increased organisational productivity, reduced turnover rates, and improved employee engagement and job satisfaction. Finally, as the proposed framework has not yet been explored, it offers a pathway for future research in the field of PsyCap and its impact on job performance.

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