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RESEARCH ARTICLE

An analysis of relationships among GNH in corporation, psychological capital and employee performance

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ABSTRACT

This study analyses the relationships among "GNH in corporation", employees' psychological capital and employees' performance within the business corporations of Bhutan. Since no prior studies have been conducted to assess the connections among the variables of GNH in corporation (as independent variable), employee psychological capital (as mediator) and the employee performance (as dependent variable), the objective of the research was to bridge this knowledge gap. The data were collected from 511 full-time employees of Druk Holding and Investments Ltd (DHIL) and its six owned companies. The test result indicates that GNH in corporation determines both employees' psychological capital and employee performance. Most importantly, the employee psychological capital is found to fully mediate the influence of GNH in corporation on employee performance. This was ascertained based on mediation analysis using bootstrapping technique. The research framework was developed after synthesizing existing relevant theories and identifying appropriate procedures and methods; this research thus extends the current literature theoretically and methodologically. Also, the specific findings shall have practical implications, especially for managers and leaders of business corporations.

Keywords: GNH in corporation; psychological capital; employee performance; structural equation model

1. Introduction

Located in Southeast Asia, Bhutan is known for Gross National Happiness (GNH), a paradigm angle of approach from which it seeks to appreciate life through fulfilment of the ultimate purpose of existence. The GNH framework is already formalized and expected to be operational in every sphere of Bhutanese governance, be it in governmental, civil and public sector, businesses and corporations or in non-governmental organizations. The framework entails nine domains covering economic, health and wellbeing, education, culture, environment, governance, community vitality and time use. However, it is believed that the GNH is yet to be aligned well, especially, in Bhutanese business sector; and as appropriate as it can be, the theme for the seventh international conference on GNH organised by Centre for Bhutan Studies and GNH (CBS) held at Bhutan in November 2017, was "GNH of Business". Adoption of GNH in the business, however, should not be a zero-sum game; in fact, it should translate into well received consequences such as workplace happiness and employee performance within organisational level business mandate while also fulfilling societal well-being at holistic macro level. This needs to be verified and validated.

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It is a commonplace that the very purpose of business is shifting worldwide from short term profit maximisation to long term sustainability indicating a recognition of interdependence of stakeholders including natural ecosystems. For instance, Clark Jr. and Babson[1] believe that it is the right time to envision a new social contract on the purpose and role of business which will set the course for the future well-being of people world over. In deed the focus of wellbeing should actually go even beyond just people. Thus, the vision, direction, and approaches of the business matters. It is also important to first consider whether GNH in corporation bears any value addition for the business and corporate ambitions. In fact, it should contribute for progressive business goals, because, if application of GNH does not make sense for employee performance or organizational effectiveness, for instance, the business or corporations will have little reason to even adopt and align the GNH framework and policies. It is very usual expectation that happiness framework in the business should translate into positive psychological feeling and consequently employee performance. Kun and Gadanecz[2] based on the data collected from teachers of Hungarian education sector, found that wellbeing and happiness at workplace are related with psychological resources, especially the "hope" and "optimism". According to Rabenu et al.[3], well-being and psychological capital are strongly correlated for employees working at different organisations in Israel. The correlation was also confirmed between psychological capital and employee performance. Despite many available literatures on effect of workplace happiness, employee wellbeing or job satisfaction on employee psychological resources and performance, not much has been explored on the influence of GNH in corporation on employees' psychological capital and job performance. Hence, this study is intended to examine whether employee performance can be predicted by GNH in corporation; and to test whether employee psychological capital mediate the relationship between these predictor/independent and response/dependent variables. Accordingly, this study answers the following research questions:

1) Does GNH in corporation impact employee performance positively?
2) Can GNH in corporation effect employee psychological capital?
3) Will employee psychological capital determine their performance?
4) Will employee psychological capital mediate the effect of GNH in corporation on employee performance?

2. Theoretical concepts and operationalisation

2.1. GNH in corporation

The GNH is the guiding philosophy of Bhutan's development process pronounced by His Majesty the Fourth King Jigme Singye Wangchuck, soon after his enthronement in 1972[4]. In deed it is already being practiced at national policy making; for example, to realise equitable socio-economic development, Gross National Happiness Commission[5] specifies how the budget at grass root level should be distributed; allocation for the five-year plan (2018–2013) at Gewog level (Gewog is a subdivision of Dzongkhag or District) is considered based on the factors of population (15%), GNH Index (10%), farming (15%), health (20%), education (5%), poverty (15%) and transportation/distance (20%). Similarly, the Dzongkhag (District) level development capital is distributed based on economy (40%), GNH index (15%), Health (10%), Education (10%), Culture (10%) and Environment (15%). These policy criteria make sure that the least developed gewog population with high poverty, hygiene issue, unhappy inhabitants or requiring motorable roads get big share of the capital outlay. Similarly, any projects should qualify the project screening parameters. The GNH is understood as the socioeconomic development framework, especially in Bhutan. The conceptualisation of GNH is based on the belief that material wealth alone cannot bring happiness and the current system of measuring progress using GDP is limited[6]. It can be inferred that GNH is an alternative paradigm for GDP. Verma[7] states that GNH considers socio-cultural, political-economic and spiritual-ecological wellbeing at the

center of national development where societal happiness is the essence of human progress. At the surface, GNH is expressed through its four pillars of good governance; sustainable socio-economic development; preservation and promotion of culture and environmental conservation. However, GNH is measured in terms of nine domains. For this study, the "GNH in Corporation" variable is technically operationalised after adapting those domains as: Living Standard, Education and Training, Health, Psychological Wellbeing, Concern for culture, Community Vitality, Time Use, Good Governance, and Concern for environment.

2.2. Employee performance

Diamantidis and Chatzoglou[8] found job environment and management support are the strongest factors for job performance. According to Sehitoglu and Zehir[9] employee performance is seen as the totality of output by individual. Also job performance is conceived as "behavioral, episodic, evaluative, and multidimensional" As per Borman and Motowidlo[10]. The authors identify "task" and "contextual" as the dimensions of job performance. Similarly, based on the existing literature, two broad forms of employee work performance can be classified as "in-role" which relates with employees fulfilling job description, and "extra-role" which stretches beyond the formal requirement. The employee performance is determined through periodic appraisal, and it is very important for human resource decisions such as promotion, demotion, compensation, and training needs; ultimately the individual performance is based on the extent one fulfilled the set goals and result achieved in line with organisational mission and objectives. All these are calculated and determined using the Performance Management System. While Pradhan et al.[11] developed the triarchy model of employee performance comprised of task performance, adaptive performance and contextual performance, Koopmans[12] has devised Individual Work Performance (IWP) measurement instrument covering three main dimensions of job performance: "*task performance*", "*contextual performance*", and "*counterproductive work behaviour*". For present study, employee performance is operationalised taking the later into consideration. For the organisational level decisions, performance evaluation of employees usually account the rating of the self, supervisor, peer, and subordinates (if any). However, the performance for this research is measured as self-rating based on Koopmans[12] IWP questionnaire.

2.3. Psychological capital

According to Luthans and Youssef-Morgan[13], psychological capital is a construct drawn from positive psychology, in particular from positive organisational behaviour based on the fulfilment of four inclusion criteria of "being theory and researched based, positive, validly measurable, state-like, and having impact on attitudes, behaviours, performance and well-being". Luthans et al.[14] define Psychological Capital as:

> *an individual's positive psychological state of development and is characterized by (1) having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; (2) making a positive attribution (optimism) about succeeding now and in the future;(3) persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and (4) when beset by problems and adversity, sustaining and bouncing back and even beyond (resiliency) to attain success.*

Employees' psychological capital in the organisation is an asset. While it is undeniably true that human capital matters for any firm, it is also very imperative that the level of psychological capital determines the effectiveness of human resources. The Psychological Capital positively effect innovation in information technology[15], innovative work behaviour[16], desirable employee attitudes of job satisfaction, organizational commitment, psychological well-being, desirable employee citizenship behaviors and performance[17]. Similarly, in the context of US Army soldiers, Krasikova et al.[18] have found that soldiers with higher level of psychological capital prior to deployment had a less chance of receiving "diagnoses for mental health problems and substance abuse post-deployment." These are some evidences of the importance of employee

psychological capital. The psychological capital theory is based on the four psychological capacities of confidence (self-efficacy), hope, optimism, and resilience which are measurable, open to development, and can be managed for more effective work performance[19]. Although this psychological capital theory is relatively new, its relevance is gaining momentum among managers, administrators, leaders, and academicians alike. The psychological capital variable for this current study is based on the conception of emerging positive organisational behavior by Luthans and Youssef[20].

2.4. Relationships: GNH in corporation, psychological capital and employee performance

According to Bataineh[21], based on the data collected from pharmaceutical employees in Jordan, work life balance and happiness at work effect employee performance although job satisfaction (one of the three dimensions of happiness at work) does not; the happiness at work variable is composed of employee engagement, job satisfaction and affective organisational commitment for this study. Study conducted by DiMaria et al.[22] in a sample of 20 European countries, concluded that subjective wellbeing is positively correlated with higher productivity, and helped improved countries' economic performances; life satisfaction and total factor productivity were used to measure well-being and productivity.

Empirical evidences from other sources indicate that job satisfaction positively effects psychological well-being[23,24], organisational commitment[25], citizenship behaviour[26], and performance[27]. In the context of public sector in United Arab Emirates (UAE), Awada et al.[28] concluded that income, workplace environment, promotion, reward, recognition and supervisor and peer support all positively influence employee performance. Also training provided to the employees in private insurance sector in Coimbatore, India was found to improve employee performance and enhance productivity[29]. And the job satisfaction, employee psychological well-being, income, workplace environment, training and development are all part of the identified domains of the GNH in corporation. Based on these evidences, the following hypothesis is proposed:

Hypothesis 1: GNH in Corporation impacts Employee Performance positively.

It was concluded that teachers' workplace wellbeing and happiness are correlated with inner psychological resources of hope and optimism[30]. Based on the clinical trial study conducted on Iranian middle-aged women, Sadeghi et al.[31] found that the experimental group who were given group happiness training had significantly increased psychological capital compared to controlled group. This shows that happiness and psychological capital are certainly correlated. The strong association between psychological wellbeing (which is one of dimensions of GNH in corporation) and psychological capital was also detected by Park et al.[32], although the later was influencing the former instead. In an array of academic literatures, there are evidences that either happiness induces psychological capital or vice versa indicating that the directionality of the flow of relationship is not fixed but in fact open and fluid. The research conducted on frontline employees of tourism and hospitality enterprises in Taiwan, Tsaur et al.[33] not only found workplace fun resulting in increase of Psychological capital but also the later mediating the former and the work engagement. There are other sources ascertaining that the two variables are associated. Thus, considering the pattern of association and information from the plethora of sources, it can be assumed that:

Hypothesis 2: GNH in Corporation positively effects employee Psychological Capital.

The analysis of data obtained from heterogeneous working adults from cross section of organisations, levels and jobs, the result showed that components of hope, resilience, efficacy and optimism of psychological capital could predict the employee performance on creative exercise[34]; similar result was also derived by Taştan[35] in Turkey. According to Luthans et al.[36] workers' psychological capital of hope, optimism, and resiliency were significantly associated with the employee performance, pertaining to the study conducted among the employees of three Chinese factories. Gooty et al.[37] also validated the strong influence of

psychological capital on employee in-role performance. Similarly, the hierarchical multiple regression analysis of data from South Korean employees indicated that the employees' psychological capital is associated with their perceived performance, turnover intention, workplace happiness and subjective wellbeing even after controlling the personality traits[38]. Although no significant relationship was found between innovative work behaviour and work happiness, the later correlated strongly with psychological capital based on the data from employees of one Indonesian bank[39]. Hence the following hypothesis is postulated:

Hypothesis 3: Psychological Capital determines Employee Performance.

Thus, considering the relevant theories and information from different sources culminating into these hypotheses, the research conceptual framework is finalised as presented in the **Figure 1**.

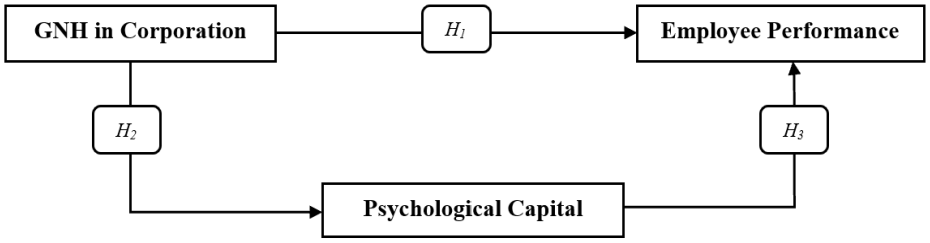

Figure 1. Conceptual framework.

In addition to three hypotheses which are reflected visually in the conceptual framework, the fourth hypothesis based on the overall objective of the study is proposed as follows:

Hypothesis 4: Psychological Capital mediates the effect of GNH in Corporation on Employee Performance.

3. Methods and materials

The research was designed to quantitatively deduce the results after testing the hypotheses. The study variables include 'GNH in corporation' as independent, "psychological capital" as mediator and "employee performance" as outcome variable. To determine the relationships among the variables and the mediating role of psychological capital on the relationship between the response and explanatory variables, the Structural Equation Modelling (SEM) was used. The Statistical Packages for Social Sciences (SPSS) and the AMOS were used for generating the result. In addition to the survey, interviews were also conducted with the heads of the human resource or administration department of the selected companies. The interview data was used as supplementary information only while the actual result and conclusion was drawn from quantitative analyses of the survey data.

3.1. Sampling procedure and data collection

The target population of the study was fulltime regular employees of Druk Holding and Investment Ltd (DHIL) and its six other holding (100% shareholding) companies: Druk Green Power Corporation Ltd (DGPCL); Bhutan Power Corporation Ltd (BPCL); Bhutan Telecom Ltd (BTL); Natural Resources Development Corporation Ltd (NRDCL); Drukair Corporation Ltd (DCL); and Construction Development Corporation Ltd (CDCL). These corporations and their employees were identified as subjects of the study considering the major financial contributions they make for the national coffer; in fact, each individual citizen is by default shareholder as government owned companies. Also, they are a mix of different types of corporations. The sample size determined for the study was 511; samples were identified through proportionate

stratified random sampling procedure applying "Rand" function in sampling frame stored in excel; and data was collected using the online questionnaire administered using survey sparrow form between March and June of 2022.

3.2. Measures

The GNH in corporation comprised of 6-point Likert items, and 44 items were grouped into nine item-parcels called domains. Although the structural framework of nine domains is based on the already existing actual GNH model, items for each domain are author's own. Thus, these contextualised questionnaire items were validated prior to data collection, through "Index of Item Objective Congruence (IOC)" method by five experts, two practitioners and three academics. For the psychological capital data, the "Psychological Capital Questionnaire (PCQ-12) Self-Rater Version", adapted by Luthans et al.[40] was used; the 12 items were grouped into "Hope", "Efficacy", "Resilience", and "Optimism". The 18-item Individual Work Performance Questionnaire (IWPQ) developed by Koopmans[12] which measure the three main dimensions of job performance: "*task performance*", "*contextual performance*", and "*counterproductive work behavior*" was considered for scoring self-rated employee performance. The items are rated on a 6-point rating scale (0 = Never, 1 = Seldom, 2 = Occasionally, 3 = Often, 4 = Most Often, 5 = always). In the finalised Structural Equation Model, only Task and Contextual Performances (of the employee performance construct) could be considered; the "Counterproductive Work Behaviour" had to be dropped owing to its unsatisfactory factor loading.

3.3. Reliability and validity

The reliability of internal consistency of items of the variables is verified prior to analysis of data and hypothesis testing. Taber[41] observed that authors in the prior studies have interpreted alpha values as "Excellent (0.93–0.94)", "Good (0.71–0.91)", "Satisfactory (0.58–0.97)" and "Acceptable (0.45–0.98)". This observation was used as the basis for drawing conclusion whether the variables of current study meet the reliability test. All the domains of GNH in corporation construct namely, "Living Standard", "Training and Education", "Health", "Psychological Wellbeing", "Concern for Culture", "Community Vitality", "Time Use", "Good Governance" and "Concern for Environment" satisfy the acceptable alpha range with values of .87, 0.85, 0.68, 0.56, 0.73, 0.74, 0.86, 0.91 and 0.79 respectively. In terms of "Efficacy", "Hope", "Resilience" and "Optimism" factors of psychological capital, the alpha scores stand at 0.79, 0.7, 0.51 and 0.62. Similarly, the internal consistency of items for employee performance construct also qualifies the reliability threshold with alpha values of 0.78, 0.87 and 0.72 for the "task performance", "contextual performance" and "counterproductive work behavior". Additionally, the Composite Reliability (CR) is established through Confirmatory Factor Analysis (CFA). All the variables qualify the CR requirement with values of 0.87, 0.74 and 0.79 for GNH in corporation, psychological capital and employee performance respectively. These CR values were derived using the formula: $\mathbf{CR} = {(\sum \boldsymbol{\lambda i})^2}\Big/{(\sum \boldsymbol{\lambda i})^2 + (\sum \boldsymbol{\varepsilon i})}$, where: $\boldsymbol{\lambda}$ (lambda)=standardized factor loading for item *i* and $\boldsymbol{\varepsilon}$= respective error variance for item *i*. [***Note**: $r^2 = \lambda i^2 = 1 - \varepsilon i$*].

For determining construct validity, both convergent and discriminant validity were probed through Confirmatory Factor Analysis. The values of Average Variance Extracted (AVE) for GNH in corporation, psychological capital, employee performance stand 0.44, 0.42 and 0.65 respectively. Although the AVE is expected to be at least 0.5, the GNH in corporation and psychological capital variables fall a little short of the requirement threshold. However, while the psychological capital data was collected using the already validated PsyCap-12 questionnaire instrument, the AVE value was of GNH in corporation decreased from initially 0.5 as result of adjustment initiated to improve the model fit by covarying some GNH dimensions. Convergent

validity assesses if the indicators converge together to measure the factor and is determined by the factor loadings of each indicator. The convergent validity is established if the Average Variance Extracted (AVE) is at least 0.5, where AVE is the average of squared factor loadings (R^2). However, Fornell and Larcker[42] indicted that as long as the Composite Reliability is more than 0.6, even if the AVE is 0.4, the validity of the construct may still be adequate.

The discriminant validity test was conducted to verify if the constructs are uniquely different from each other. Henseler et al.[43] recommend "Heterotrait-Monotrait ratio" (HTMT) as better alternative than Fornell-Larcker criterion and suggest that the HTMT value should be less than 0.85; if the value exceeds this threshold, it indicates issue of discrimination. Based on this HTMT specification, the discriminant validity is established. The GNH in corporation construct discriminates itself from psychological capital and employee performance with HTMT ratio of 0.60 and 0.45 respectively; the psychological capital also uniquely differs from employee performance with discriminant value of 0.64. Refer **Table 1**.

Table 1. HTMT values establishing discriminant validity.

Variable Pair	A	B	SQRT of B	HTMT Ratio
GNH & PsyCap	0.26	0.185	0.430	0.60
GNH & Performance	0.24	0.290	0.539	0.45
PsyCap & Performance	0.33	0.265	0.515	0.64

Note: A = Average Heterotrait Correlation; B=Product of Monotrait Correlations; SQRT=Square Root.

4. Results

4.1. Response rate and demographic information

The number of survey participants determined for this study was 511 regular employees from the selected corporations. Based on the stratified proportionate random sampling procedure, the samples required from DHIL, DGPCL, BPCL, BTL, NRDCL, DrukAair Corp Ltd, and CDCL were 10, 143, 207, 50, 43, 36 and 22 respectively. The response rate from each corporation was 100% which in turn also makes 100% participation overall. The majority (65%) of the respondents were male while the participation from female and "other" amount to 35% and 0.20% respectively. In terms of position level, with 160 respondents (31.3%) the Supervisory category tops the list followed by Managerial and Operational level groups with 154 (30.1%) and 28.2%. And the representation from General Service Category and Executive level employees makes up 7.2% and 3.1% of the total responses. The demographic information and its descriptive statistics are presented in **Table 2**.

Table 2. Descriptive statistics on respondents' demographic profile.

Demographics		Count	%
Corporation	DHIL	10	2.0%
	DGPCL	143	28.0%
	BPCL	207	40.5%
	BTL	50	9.8%
	NRDCL	43	8.4%
	DrukAir	36	7.0%
	CDCL	22	4.3%
Respondent Sex	Male	331	64.8%
	Female	179	35.0%

Table 2. (*Continued*).

Demographics		Count	%
	Other	1	0.2%
Respondent Position Level	Executive Level	16	3.1%
	Managerial Level	154	30.1%
	Supervisory Level	160	31.3%
	Operational Level	144	28.2%
	General Service Category Level	37	7.2%

4.2. Mediation analysis: Structural equation model

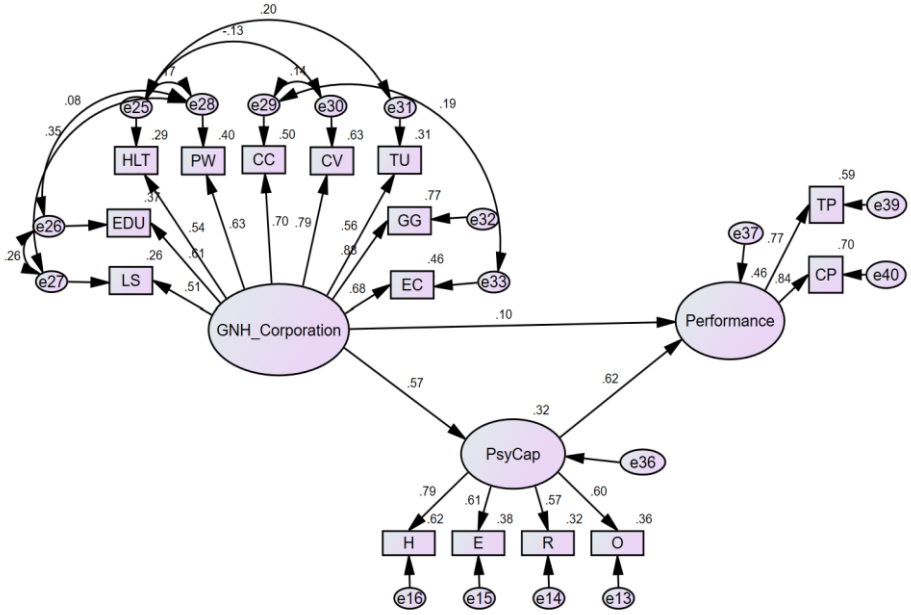

Figure 2. SEM: Psychological Capital as mediator.

Figure 2 depicts Structural Equation Model; Psychological Capital (PsyCap) is poised as an intermediate variable while GNH in corporation and employee performance are placed to be explanatory and response variables respectively. This model has a total of 120 distinct sample moments out of which 41 (15 regression weights, 8 covariances and 18 variances) distinct parameters required to estimation resulting identified model with the degrees of freedom of 79 (120−41). The over-identified model is always preferred over "just-identified" or "under-identified" due to the advantage of the positive degree of freedom. Collier[44] states that a just-identified model does not assess how well a proposed model fits the data while "approaching a just-identified model (df < 3), model fit indices start to bias upward". In terms of the variable counts, the model accounts 35 variables (15 observed and 20 unobserved; 18 exogeneous and 17 endogenous variables).

According to McDonald and Ho[45], for the Normed Fit Index (NFI), the Goodness of Fit Index (GFI), and Comparative Fit Index (CFI), degree value of fit more than 0.9 is sufficient to consider the model fit. However, they suggest that the p value of Chi Square (χ^2) should be > 0.05. Another criterion which actually measures lack-of fit is RMSEA (Root Mean Square Error of Approximation) whose value should be < 0.1 for model fit[46]; in most cases, RMSEA value < 0.5 is interpreted good model fit while value < 0.8 is considered adequate fit. In this model of study, these criteria are fulfilled with NFI, GFI, CFI and RMSEA values of 0.907, 0.928, 0.929 and 0.075 respectively. However, χ^2 (79) = 304.07, p < 0.05. Since, the result of Chi square test

is sample sensitive, the approximation values of other statistics are taken into consideration to infer that the specified model displays close representation of the data.

The following table offers results of the relationship status between pairs of variables based on the Structural Equation Model (SEM) where psychological capital is placed as intermediary between GNH in corporation as predictor and employee performance as outcome variable. It can be concluded that the input variable effects the mediator positively and significantly ($p < 0.001$); and similarly, the relationship between mediator and the dependent variable are significant at $p < 0.001$. However, the relationship between the predictor and the outcome variable is non-significant with p value of 0.117 (> 0.05). This insignificant association is a result of the inclusion of intermediate variable psychological capital. On the contrary, when the simple regression is tested for GNH in corporation and employee performance (excluding mediator/intermediary), with the regression weight of 0.45 (standardised = 0.447), their relationship is found to be significant while the significance disappears when the intervening variable is included. To put simply, the direct effect at this point is insignificant, and if indirect effect is proven significant, the conclusion can be full mediation. The mediating role of psychological capital can only be concluded once the significance of indirect effect is ascertained; the indirect effect is analysed and presented later. The details of the regression weights from the SEM are given in **Table 3**.

Table 3. Estimates and significance of relationships.

Variable 2	←	Variable 1	Estimate	S.E.	C.R.	P
PsyCap	←	GNH	0.5361	0.0698	7.6759	***
Performance	←	GNH	0.0891	0.057	1.5643	0.1178
Performance	←	PsyCap	0.6103	0.0802	7.6085	***

Thus, based on these regression estimates, the following hypotheses are determined:

Hypothesis 1 (H1): GNH in Corporation impacts Employee Performance positively

This hypothesis is accepted based on the simple single regression, involving only two variables, GNH in corporation (as composite predictor) and employee performance (outcome). The test provides regression estimate value of 0.45 (standardised = 0.447) with $p < 0.05$. Hence their relationship is significant. Also, each individual dimensions of GNH in corporation reflects significant association with employee performance when tested individually. However, when all dimensions are tested as multiple independent variables against employee performance in one simultaneous regression test, the significance of living standard, education and training, time use, good governance and concern for environment disappears. This is indication that among the nine dimensions, psychological wellbeing, concern for culture, and community vitality are among the most influencing for employee performance. The **Table 4** shows the coefficients of each dimension when tested as multiple independent variables for employee performance.

Table 4. Coefficients of GNH in corporation dimensions as multiple independent variables for employee performance (Dependent Variable= Employee Performance (Task and Contextual)).

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.844	0.220		8.369	0.000
LS	−0.087	0.033	−0.135	−2.668	0.008
EDU	0.007	0.029	0.013	0.261	0.794

Table 4. (*Continued*).

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
HLT	−0.146	0.037	−0.186	−3.899	0.000
PW	0.265	0.046	0.302	5.704	0.000
CC	0.240	0.054	0.244	4.435	0.000
CV	0.163	0.051	0.186	3.163	0.002
TU	0.032	0.036	0.042	0.875	0.382
GG	−0.019	0.049	−0.026	−0.388	0.698
EC	0.019	0.041	0.024	0.456	0.649

Note: LS = Living Standard; EDU = Education & Training; HLT = Health; PW = Psychological Wellbeing; CC = Concern for Culture; CV = Community Vitality; TU = Time Use; GG = Good Governance; EC = Concern for Environment.

Considering the interview opinions of the HR administrators, among the domains of GNH, it can be noted that there is a common expression that employee performance will be determined by the level of efficient management and governance systems, work atmosphere and culture, and the professionalism within the organisations. It is also inferred from their opinions that understanding of GNH should change from what is commonly misunderstood to be simply "make-everyone happy" attitude; for instance, one of the interviewees shares his experience of an employee who comes drunk repeatedly and how "misplaced compassion" cannot be GNH; he states that "*why I say "misplaced compassion" is, if I pity that person (again and again), if I pardon that person, now what's going to happens?... So, if try to pardon her and really excuse her, you are not being sincere to yourself*". In fact, the interviewees agree organisation should adopt professionalism, not individual based or kidu-centered agenda to better realize its corporate goals. Thus, it can be deduced that their perspective on GNH in corporation is inclined more towards system based, rational, fair, and professional oriented take for reaping efficiency and performance from the satisfied employees. By this logic, it can be determined that the interviews also support the connection between GNH in corporation and performance; good governance and professionalism are essential aspects for GNH in corporation construct for the present study.

Hypothesis 2 (H2): GNH in Corporation positively effects employee Psychological Capital

There is positive and significant relationship between GNH in corporation and psychological capital. The regression weights for this relationship stand at 0.536 (standardised = 0.57) and the $p < 0.001$. Thus, the hypothesis 2 is accepted. As discussed earlier, GNH in corporation is a holistic construct composed of multiple dimensions which include health, psychological wellbeing, education and training, living standard, concern for culture and environment, community vitality, time use, and good governance. To put simply, all these combined can induce psychological resource of employees. This result is based on the statistical analysis of survey data. In terms of the interview data, although interviewees were not asked specifically to relate GNH in corporation and employee psychological capital, there is notable indication that interviewers' opinions are also in line with the statistical finding. They opined those happy employees with good health and stable emotions are usually more motivated and hopeful. One interviewee said "if you are not in good health or emotionally stable, then you won't be able to interact with customers; even if you interact with customers, your interaction will not be good… In real corporate sense, your sales will drop and impact revenue of the company". And the interview data also imply that unhappy employees usually tend to complain about the companies and share grievances inappropriately with others and regulators. On the other hand, other states that satisfied employees who have a sense of feeling and pride (working in the organization) are competitiveand

exudes allegiance to the organisation. These opinions support that employee happiness is linked to their psychological capital.

Hypothesis 3 (H3): Psychological Capital determines Employee performance

Employees' psychological capital and their performance are significantly related. It can be deduced that higher the psychological capital, higher the performance. The regression estimate for these two variables is 0.610 with $p < 0.001$. Hence the Hypothesis 3 is also accepted statistically. This result is matched by the common consensus of opinions and the perspectives of the heads of the human resource managers and the administrators. They expressed employees with higher psychological capital perform better. To put this into context, one interviewer expressed "if an employee is optimistic and has hope, then they will be willing to put in more effort for the gain of the company. A resilient employee will never back away from a task and so the benefit will come to the company"; another participant, considering the importance of employee psychological capital, recommends that corporations start conducting psychometric test as part of recruitment and selection.

Now the important question is: Does psychological capital play a role in the relationship of GNH in corporation and employee performance? As mentioned earlier, the direct effect (unstandardised = 0.089; standardised = 0.095) of GNH in corporation on employee performance is significant with regression estimate value of 0.45 (standardised = 0.447) and with $p < 0.05$. However, in presence of psychological capital the regression estimate reduces to 0.0891 from 0.45 and the significant association vanishes. On the other hand, the indirect effect (unstandardised = 0.327; standardised = 0.350) is noted to be significant with *p* value of 0.0015 (standardised *p*-value = 0.0013), and this statistical outcome is established at 95% confidence interval based on the bootstrapping technique; the effect of dependent variable passes through mediator to the response variable significantly. The conclusion can now be drawn that the psychological capital fully mediate the effect of GNH in corporation on employee performance. The details are presented in **Table 5**.

Table 5. Intervening effect of psychological capital.

Relationship	**DE**	**IE**	**Confidence Interval**		***p*-Value**	**Conclusion**
			Low	High		
GNH → PsyCap → Performance	0.089 ***(0.095)***	0.327 ***(0.350)***	0.226 ***(0.262)***	0.523 (***0.479)***	0.0015 ***(0.0013)***	**Full Mediation**

Note: DE=Direct Effect; IE=Indirect Effect.

5. Discussion, implication and conclusion

5.1. Discussion

The organizations choosing to align and adopt GNH framework have advantage of employee's increased psychological capital and their job performance. One of the aims of this study was to investigate how GNH in corporation effect employee psychological capital and their performance. Result suggests that GNH in corporation induces both the employees' psychological capital and the job performance positively and significantly. Also, psychological capital is found to impact employee performance. This finding aligns with Sweetman et al.[34] who have noted relationship between positive psychological capital and creative performance. This finding implies that if GNH conditions exist within the corporations, this will lead to enhancement of employee's positive psychological state which can boosts job performance. However, it can be noted based on interviews with HR heads that the interpretation and understanding of "what GNH is", should be clear first; there is expression of strong opinion that "misplaced compassion" is usually wrongly understood as GNH and this pronouncement connotates that GNH in corporation should not be laissez-faire deal in any way. With this clarity, the interviewees shared that while certain components of GNH such as

environment conservation may not have immediate and direct link with employee psychological capital and performance, they believe organisational features such as good governance, health, and wellbeing, working culture and atmosphere, and money determine employee performance. In certain cases, this opinion is a little deviation from statistical results derived from survey data. While all the dimensions of GNH in corporation seems to contribute towards employee performance, the most influencing tends to be psychological wellbeing, concern for culture and community vitality instead. Based on the multiple regression analysis, living standard and health unexpectedly indicate inverse association with employee performance although all dimensions show positive and significant relationships with employee performance when tested individually. Although living standard, health, good governance, and professionalism are held to be the most visible determining factors of performance, the most influencing ones tend to be rather other dimensions as the iceberg theory would hold; results indicate that corporations with high employee psychological wellbeing, concern for culture, and organisations which encourage community vitality are most likely to have better performing employees.

5.2. Implications: Theoretical and practical contributions

Many studies were conducted to ascertain the influence of well-being or workplace happiness on performance; however, the current variable of GNH in corporation differs from the already studied well-being and happiness variables in many respects. The GNH in corporation is more holistic contextualized for business setting, and is derived from the bigger national-level framework which goes beyond the definition of usual happiness at personal level. Kun and Gadanecz[30] observed that happiness and subjective well-being are usually hedonic seeking maximum pleasure and positive emotions. In his self-determination theory (SDT) and well-being article, Ryan[47] states that SDT is the theory of human motivation, personality development and wellbeing which focuses on self-determined behaviour and postulates set of basic needs for autonomy, competence and relatedness. The bottom-line is, the current variable of GNH in corporation is more encompassing than those similar variables in literatures which are designed as more specific, focused and microscopic. Although the operational definitions differ, the findings from the prior studies are similar to the current result. In many cases, employee performance is being determined by workplace happiness and wellbeing or their facets as Bataineh[21], and Awada et al.[28] have confirmed. And the similar findings seem to cut across different regions and cultures.

Importantly, it is worthy of pinpointing the role of employee psychological capital in organizations. The main purpose of the study was to test whether psychological capital mediates the relationship between GNH in corporation and employee performance. Based on the statistical tests, it is ascertained that this particular variable fully mediates the relationship between identified pairs of variables. This suggests that the level of employee psychological capital determines the effect of GNH in corporation on employee performance. However, only few similar studies were conducted to confirm the intervening effect of psychological capital on workplace happiness and performance. Thus, while there are not enough references to compare the mediating role of psychological capital, the findings from this study can be a very basis for comparison if future researchers decide to carry out similar studies. This fact shows the contribution of the study in terms of the originality and as an addition to the existing literature. The conceptual framework involving GNH in corporation as explanatory and psychological capital as intervening variable on the predictor variable and employee performance is a theoretical contribution.

Besides, the findings from this study have practical implications for the managers, administrators, and leaders of the corporations. The results from this research should inculcate the importance of adopting GNH in corporation and enhancing employee psychological capital so that the business corporations reap the benefit of human capital in terms of their effective performance. This will have wider implications for the corporate performance. Hence, corporate administrators and leaders shall find ways and means to comply with GNH

framework and enrich psychological capital of human resources. This is how the leadership thinking and approaches will shape the process and destination of the organisation they lead. Having stated these implications, future research may consider including both private and public corporations so that results can be compared for any similarities and differences.

5.3. Conclusion

In conclusion, this study supports that GNH can be incorporated in business corporations as it positively contributes towards enhancing psychological capital which induces employee performance. Thus, the analysis of the results reveals that all hypotheses hold true. GNH in corporation effects employee psychological capital and the later in turn impacts employee performance. GNH in corporation also positively associates with employee performance. The findings conclude that the organizations incorporating GNH framework can help derive dividend in terms of performance output either directly or through enhanced employee psychological capital. The significance of employee psychological capital can be understood through the intervening role it plays. Although the psychological capital and employee performance constructs have already been validated, the GNH in corporation is new addition to the current studies. This research contributes both theoretically and practically. The research framework is new, and no prior study was done using the same framework. The findings from this study can potentially change behaviour and attitude of managers, administrators and leaders who are yet to be convinced that GNH in corporation is more than desirable. The future research may consider collecting data from both private and public corporations.

Author contributions

Conceptualization, KY, VR and WR; methodology, KY, VR and WR; software, KY, VR and WR; validation, KY, VR and WR; formal analysis, KY; investigation, KY; resources, KY; data curation, KY; writing—original draft preparation, KY; writing—review and editing, KY; visualization, KY, VR and WR; supervision, VR and WR; project administration, KY, VR and WR; funding acquisition, KY. All authors have read and agreed to the published version of the manuscript.

Conflict of interest

The authors declare no conflict of interest.

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