

ByInvitation

Build psychological capital now for strong society



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For The Straits Times

In previous essays in this column, I briefly mentioned “psychological capital” as a critical resource for individuals – and also society collectively – to solve problems and improve well-being. In this essay, I will elaborate on what psychological capital is and how it works, and emphasise its importance.

My aim is to encourage constructive policy and public actions. There is increased urgency for ourselves and our country to do this, and I will explain why.

But first, there are different types of capital that matter.

TYPES OF CAPITAL

For individuals, organisations, communities or countries to thrive, they need to develop five types of capital – economic, human, social, political and psychological.

The first four types of capital are familiar to many. We know they are important for individuals and groups to function well. We invest effort to build the relevant capital, or we at least try to.

Individuals, organisations and governments build up their economic capital to enhance material well-being. We recognise that human capital is critical for individual and organisational performance, although some develop it better than others.

While economic capital depends on “what we have” and human capital refers to “what we are”, social capital is about “who we know”. We benefit from our social networks, which refer to our relationships and interactions with people we know, directly or indirectly through others. The benefits could be tangible, like getting a job opportunity, or intangible ones like social support.

When we develop quality social networks with trust and reciprocity, our social capital increases.

Political capital is an individual’s accumulated goodwill and support from others, which gives the individual credibility as perceived by others, and hence influence over them. The concept usually refers to the public reputation and standing of a politician or political party, but it can also refer to any other individual or group in a position of power or influence.

Political capital is sometimes treated like a currency that can be spent to mitigate the negative effect of difficult or unpopular



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decisions. So we speak of the cost to political capital and paying a political price to manage problems or for proceeding with an action.

In contrast to these four types of capital, psychological capital, which focuses on “how we think, feel and act”, has received little attention.

PSYCHOLOGICAL CAPITAL AND HOW IT WORKS

Research has shown that four inter-related mindsets or attitudes contribute to psychological capital that help people function in adaptive ways. They can be cultivated through training and education, and learned through real-life experiences.

- **Self-efficacy**
Self-efficacy is people’s belief and confidence that they can solve problems and change things for the better, for themselves or others. To be adaptive, self-efficacy must translate into desired outcomes, at least some of the time. Which means self-efficacy should be based on one’s actual competence and circumstances. Otherwise, it becomes overconfidence or delusional beliefs. Repeated failure to accomplish erodes self-efficacy. It causes disappointment and demotivation that can result in “learned helplessness”, with people believing that they can do nothing to make a positive difference.
- **Optimism**
People are optimistic when they believe that things can and will get better in the foreseeable future. Optimism does not occur by simply deciding to think positive or see the bright side of things. In

fact, an optimism bias that always see a glass as half-full but never half-empty often leads to complacency. Adaptive optimism is not about best possible scenarios. It is a positive outlook related to current capabilities and circumstances, and a positive prediction based on facts and informed judgments. Put another way, optimism is adaptive when the positive conclusion came about after obtaining relevant information and exercising critical thinking.

- **Hope**
People have hope when they see real opportunities to achieve their aspirations. They perceive that the opportunities are available and accessible to them, and believe that translating the opportunity into achievement is practically plausible and not just theoretically possible. Real hope does not necessarily mean high expectation to succeed. What it does is motivate people to set challenging but achievable goals, and strive to reach those goals. When there is real hope, it makes sense to review one’s progress and self-regulate actions where necessary.
- **Resilience**
Resilience is the ability to recover from adversity, cope with difficult changes and adapt to new demands brought about by challenging situations. We can observe actual resilience, and know its extent, only during or after an experience of negative events or difficult circumstances. Of course, resilience needs to be developed in good times and early on. It is not like

“movies-on-demand” – available on the spot when required or requested. Nor will resilience evolve naturally and sufficiently, without conscious efforts. Resilience is based on trust, commitment and values. All these take time to build, and they develop over time in people’s lived experiences.

Self-efficacy, optimism, hope and resilience are based on experience and evidence, so they are dynamic and conditional. Doing well on these positive mindsets at any point in time should not be taken for granted.

It is important to monitor changing circumstances to assess how these might affect the four mindsets. To foster these mindsets, we also need to give people a real voice to express what matters to them, be it their needs, concerns, aspirations, values or viewpoints.

Together, these four mindsets make up psychological capital, which can become a powerful resource and motivation, characterised by a “can do” spirit and a “will do” attitude.

BUILDING PSYCHOLOGICAL CAPITAL NOW

Psychological capital enables individuals and groups to function effectively; to pursue aspirations and also handle shocks, failures and disappointments.

There are important reasons to pay serious attention now to foster psychological capital for individuals and communities in Singapore.

Much has been said on how ongoing economic, technological and demographic changes will cause drastic disruptions and pose major challenges to jobs, skills and

inclusivity; and how all these in turn lead to new group differences and significant social inequalities.

To manage these emergent divides, Singapore and Singaporeans will need strong psychological capital. This is in addition to good policies that develop our economic, human, social and political capital.

Besides these disruptions, there are two key immediate and serious concerns given our circumstances – terrorism and controversies.

THREATS FROM TERRORISM

Terrorist incidents may happen in Singapore sooner than many thought, and in unexpected situations like in public places or at the workplace as we go about our daily lives. A terrorist attack causes serious physical harm to life and property. So there is no room to be complacent. We need to quickly step up efforts to increase security and vigilance for prevention and detection, learn to know when and how to respond to an attack with “run, hide, tell” or “defend and fight”, and acquire first-aid and other life-saving skills to protect ourselves and others.

Organisations need to develop and update physical contingency and business continuity plans, and practise them. But beyond physical harm, terrorism aims to instil fear and suspicion to destroy trust and harmony among the different race and religious groups. So there is urgent need for individuals, organisations and communities to enhance their psychological preparedness to deal with terrorist incidents and their impact.

To counter terrorism effectively,

we must be confident that each of us can make a positive difference in prevention, response and recovery.

There must be strong leadership and trust among individuals and groups, so that there is realistic optimism that things can and will get better, and real hope knowing that we can work together and unite in practice and not just in theory. And we must have the resilience to recover from a terrorist incident, and emerge even stronger than before in our intergroup relations and collective resolve.

NEGATIVE CLIMATE FROM CONTROVERSIES

Judging from online and offline comments, an explicit climate of angst, anxiety or ambivalence can emerge very quickly over certain controversial issues, and the climate may have lasting negative impact when not adequately addressed.

A clear example is the recent public reaction to the idea and implementation of the hiatus-triggered reserved presidential election. It involves issues about principles of meritocracy and multiracialism, fairness of the outcome and the process, and interpretations of these constructs. People’s views and conclusions on these issues have serious implications for race relations and social harmony in Singapore, as well as significant impact on trust in national leaders and public institutions. Controversies in different areas will continue to happen. Often, relevant feedback and viewpoints were articulated and explicitly discussed internally or in public discourse, before a case became a controversy.

So in fact, many unintended negative consequences resulting from policy decisions were not anticipated. But often, they were surprising and difficult to manage because the impact was underestimated.

The impact might be underestimated because of cognitive biases and limitations in decision-making processes, and not because of incompetence, lack of information or difficulty in prediction due to a complex world.

The situation need not be bleak. A society with strong psychological capital can defuse an adverse climate and mitigate the impact of negative events. It helps prevent negativity and promote positivity. It encourages all parties to refrain, reflect and resolve, and to see more light instead of generate more heat, so that we address controversies and difficult issues in a calm and adaptive manner.

As individuals and as a society, Singaporeans will face many challenges brought by changes, uncertainty, obstacles, setbacks as well as unmet expectations and unintended negative consequences. At the same time, there are many opportunities in Singapore for success, and we can create more and ensure that they are real.

To function effectively, solve problems and achieve aspirations, we need adequate psychological capital. For our own well-being and a strong Singapore society, let us build this critical resource now rather than later.

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