Influence of Psychological Capital on the Internationalization of Commercial Banks in Kenya

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Abstract

This paper examined the relationship between psychological capital and internationalization of commercial banks in Kenya. The target population was top and middle-level managers of commercial banks in Kenya. The findings established that psychological capital has a statistically significant influence on the internationalization of commercial banks in Kenya. Psychological capital was considered to include; passion for diversity, quest for adventure, and self-assurance. It was concluded that psychological traits espoused in managers determine their contribution towards organizations' ability to venture into international markets. Specifically, self-assurance, a quest for adventure, and passion for diversity among managers largely contribute to their success rate in implementing internationalization strategies among commercial banks in Kenya..

Keywords: Psychological Capital, Internationalization, Banking

Introduction

Psychological capital, as an attribute of a global mindset, is a set of state-like variables that can be developed through proactive learning, practice, and workplace involvement (Clapp-Smith & Wernsing, 2014). Managers need to have appropriate psychological capital to optimize their global knowledge, especially in the organizations' internationalization process. Psychological capital is reflected in managers when they can put their acquired knowledge into action and is mainly apparent as both acculturation and leadership for managing diversity (Mona, 2017). Further, Mona (2017) argued that managers with a nurturing style of expressive power and sharing perspectives of empowerment encourage productivity, as witnessed in high-performance companies.

Four main factors constitute psychological capital: Self-efficacy, optimism, hope, and resilience (Marthinsen, 2015). Such factors manifest a passion for diversity, curiosity and interest in other cultures, as well as quest for global adventure and self-assurance (Marthinsen, 2015). Further, this is demonstrated in a managements' willingness to accept ideas, regardless of their source, while being open and sensitive to other cultures and systems (Lewandowski & Rafalska, 2013). Many large banks in the world have been struggling towards a new organizational model with its home market seemingly becoming a by-product in a broader strategic vision (Asira, 2013). Internationalization in the banking industry is not a new concept because it has been in existence since the 19th century (Damsgaard, 2017). Banks go abroad to serve their domestic customers who have gone abroad (Maike & Franziska, 2017). It is a gravitational pull effect whereby multinational banking grows in parallel with direct foreign investment as banks try to meet the demand for banking services of multinational firms abroad (Jie, 2014).

The current trend of internationalization of commercial banks is characterized by various factors: Financial institutions following their existing relationships, increased number of global banks seeking to widen their activities in the financial markets of the host-country mainly through controlling stakes, the acquisition of majority or minority, and non-controlling stakes (Yamada, 2016). Accordingly, in the current strategy of global banking, universal banks target diversification of banking activities into some domestic financial markets through a network of branches and greater integration into the local market (Mori, 2015). Such strategies have been encouraged by the gradual flexibility of legal restrictions concerning the presence of multinational banks in local markets, in both developed and developing nations (Jie, 2014).

Banking crises, deregulation, and globalization of financial services have led to a significant increase in the presence of foreign banks in emerging economies (Altbach, 2015). Consolidation has accelerated in the banking industry in the emerging market economies, thus, changing a traditionally protected banking industry (Gota, 2017). These changes have significantly increased competitive pressures on banks in the emerging economies, leading to deep changes in the structure of the banking industry (Cavus, 2015). Developing a firm's international operations is a continuous process of adjustments to the changing conditions in the firm and the environment (Koleva & Ziegert, 2015). By investing in different countries, multinational banks can lower their political risk and exchange rate risk, however, they will still have to deal with systematic risks (House, 2013).

Astrid (2014) stated that commercial banks in Sub-Saharan countries do not have a direct effect on the internationalization process, because they use available resources to acquire the knowledge that enables them to maintain relationships with their suppliers. East African commercial banks have shown three different internationalization patterns: gradual, rapid, and rapid but the late pattern (Story, Barbuto & Luthans, 2014). This means that many commercial banks in East Africa that intend to internationalize have a strong experience in the domestic market in which there is strong competition from domestic banks and multinational banks. Commercial banks in East Africa region have a strong growth potential in their domestic market, which makes them embark on the internationalization process (Mona, 2017). As an attribute of a global mindset, psychological capital affects the ability of commercial banks to develop successful international networks, which impact the commitment building and conditions for developing international interactions (Clapp-Smith & Wernsing, 2014).

Commercial banks in Kenya are licensed and regulated by various laws and guidelines, namely; the Companies Act, the Banking Act, the Central Bank of

Kenya Act, and many other guidelines issued by the Central Bank of Kenya (CBK). Kenya currently has forty commercial banks and one mortgage financial institution, out of which twenty-six are locally owned while fourteen are foreign-owned. Of the twenty-six that are locally owned, only eight have set up operations in the regional markets. The strategy of expanding the branch network, both within Kenya and in the greater East African region, automation of service needs, and globalization challenges have enhanced the growth (Chebii, 2015).

Statement of the Problem

Commercial banks in Kenya are quite sluggish in internationalization efforts, mainly due to management challenges (Kagucia, 2017). One such challenge is the absence of psychological capital among managers (Chebii, 2015). As an attribute of a global mindset, psychological capital is a critical influencer of the internationalization of commercial banks (Astrid, 2014). Additionally, Clapp-Smith and Osland (2014) posited that psychological capital is important for delivering a competitive advantage to an organization. However, it remains unclear whether psychological capital, as an attribute of a global mindset, can leverage commercial banks in Kenya to internationalize their operations.

Scholars such as Clapp-Smith et al. (2014), Gota (2017), Yildiz (2018), and Mona (2017) had posited the importance of psychological capital in the delivery of internationalization among organizations. However, the contextual gap is that majority of these studies were done in other countries and none of them focused on the Kenya context. There are some previous studies in Kenya, such as Kagucia (2017) and Chebii (2015), which focused on the internationalization and performance of commercial banks; however, they did express the importance of psychological capital as a major component of internationalization of commercial banks. This study aimed at bridging the contextual and conceptual gaps by focusing on the influence of psychological capital on the internationalization of commercial banks in Kenya.

Research Aim and Objectives

This study aimed at examining the influence of psychological capital on the internationalization of commercial banks in Kenya. However, the following was the specific objective;

i. To establish the influence of psychological capital on the internationalization of commercial banks Kenya.

Research hypothesis

H01: Psychological capital has no significant influence on the internationalization of commercial banks in Kenya.

Literature Review

Psychological capital is defined as the state of positivity of a person's state of development. The characteristics of psychological capital include self-efficacy or confidence, striving for excellence in challenging tasks, optimism for future success, perseverance for goals achievement and state of resilience (Gota, 3017). Psychological capital is synonymous with propensity for individual motivation for achievement through hope, resilience, optimism and self-efficacy (Cavus, 2015). The contribution of psychological capital in an individual is viewed as a critical resource leading to optimism and resilience in performance of work-related tasks. Psychological capital has a huge potential and acts as a competitive advantage for instigating superior organization performance (Altback, 2015).

Psychological capital is a higher-order need in the internationalization process as it assists in addressing manifold behavioral issues of an organization (Zeynep, 2013). Business establishments have realized that to excel in the internationalization process, they need people who are not only academically sound but also emotionally intelligent. The positive and significant relationship between psychological capital and internationalization has been expressed by many scholars. For instance, Yuhua (2015) stated that a positive relationship exists between psychological capital and internationalization and social capital. Similarly, Adler and Krwon (2012) argued that individuals with high psychological capital have more capacity for group interactions and social participation because it helps in connecting the individuals and enhance the interactions. This implies that individuals with high levels of psychological capital have a high capacity to steer their organizations' businesses beyond their domestic borders (Tessema, 2013).

Previous scholars had conducted studies concerning the association between psychological capital and internationalization. For example, Yomma (2018) carried out a study on innovative behavior and psychological capital. Regression analysis was used and the results indicated that psychological capital is negatively related to the management's attitudes, such as cynicism toward internationalization. From the findings, psychological capital thinking has a motivating impact that can enhance internationalization, which contradicts with the despair associated with cynicism. Higher levels of optimism among managers regarding the future and confidence in their managements' ability to succeed in their current job may motivate them to take charge of their destinies.

An empirical case study on the relationship between psychological capital, personality, and organizational commitment was conducted by Yildiz (2018). The study assessed how the managements' psychological capital and knowledge sharing affected their international performance. The results showed a positive but weak significant correlation between psychological capital and global performance of organizations. Therefore, to enhance innovation performance through knowledge integration, managers with a more positive psychological capital have more courage to try sharing and integrating different kinds of knowledge, and at the same time they are persistent to try to look for other people's help.

Another study was carried out by Gota (2017) on the relationship between psychological capital, work engagement, and organizational commitment amongst employees of a selected food processing plant in the Western Cape. Convenience sampling was used and data was collected using a self-developed biographical questionnaire. Regression analysis was used to test one of the hypotheses, and results indicated that there was a positive and statistically significant relationship between psychological capital and work engagement. There was also a significant, though negative, relationship between psychological capital and affective commitment, and between work engagement and affective commitment. Lastly, Gota's (2017) findings showed that work engagement had a significant impact on affective commitment.

A study was carried out by Beeker (2016) on the relationship between psychological capital and work engagement. The findings showed that good managers are drivers of quality and productivity. It was also noted that the psychological and physical participation of top management attributed to organizational internationalization success. Therefore, organizations must devise strategies that are centered on human capital, which results in thriving both employees and organizations. In line with this view, practices that improve human resource productivity and effectiveness, such as; strength-based feedback, 360-degree feedback, positive reinforcement, employee empowerment, and many other human-centered approaches, should be given more emphasis.

A study was conducted by Ahrens (2016) to establish the nature of the relationship between psychological capital, gratitude, and employee performance. A

Pearson correlation and regression analysis techniques were used to check the association and the prediction relationship between the dependent and independent variables. The findings indicated that in terms of commonalities, hope, efficacy, resilience, and optimism, as attributes of psychological capital, share a sense of control, intentionality, and goal pursuit as far as organizational growth is concerned. They also share the common theme of positive appraisal of circumstances and probability for success based on motivated effort and perseverance. The study also indicated that optimistic individuals may view their chances of success to be high and they may intentionally choose challenging goals and be motivated to achieve them. At the same time, it was found that hope promotes the generation and pursuit of multiple pathways towards goal achievement, while resilience allows for recovery from setbacks when pathways are blocked.

A general study was carried out by Cavus (2015) on psychological capital and its impact on organizational growth. The study concluded that to widen constructs that form psychological capital, there is a need to include more constructs to psychological capital than just hope, self-efficacy, resilience, and optimism. The study proposed that more constructs that meet the criteria of being state-like, measurable, and open to development be added to psychological capital. The findings, however, warned that the pitfall of coming up with an all-inclusive approach may lead to suggested development of psychological capital losing grip of its meaning, particularly where the development is not done systematically and methodically.

A study on the relationship between psychological capital, courage, and entrepreneurial success was done by Bockorny (2015). Results obtained provided evidence for pointing that for management's psychological capital development interventions to be effective, they need to be administered in the right environment. The findings also showed that unlike technical training that focuses on developing specific skill sets and behavioral patterns for managers' psychological capital, development promotes positive thinking patterns that can challenge and replace deep-seated assumptions and beliefs over time. This transformation requires individuals in management positions to have a positive organizational climate that nurtures, or at least welcomes and accepts, the newfound agency, intentionality, mindfulness, and sense of control.

Dello Russo and Stoykova (2015) carried out a study on psychological capital intervention. Both primary and secondary data were collected to obtain the required information that was needed for a better outcome. A simple random sampling technique was adopted in collecting the primary data and a well-structured questionnaire was used. The study findings indicated that organizational management plays an important role in the success of internationalization strategy through psychological capital development. Accordingly, managers need to be transformed through psychological capital development to become more positive, authentic, transparent, and trustworthy, thus, leading their organization in international ventures. This implies that psychological capital is a key factor in a global mindset.

Similarly, a study was conducted by Levene (2015) on the relationship between psychological capital and employee engagement in the internationalization of firms in Canada. The specific context of the study was to examine the historical association between positive psychological capital and employee engagement. A descriptive research design was employed with a sample of 150 firms in Canada. The findings revealed that there was a positive association between firms that leverage psychological capital and employee engagement during the internationalization process. Findings also showed that an organization that invests in employee engagement has the potential of influencing individual employees and the wider organizational employees leading to benefits in the economic performance of the organization.

Dawkins (2014) also conducted a critical analysis of the theoretical and empirical extensions of psychological capital as a psychometric foundation of the psychological capital model in the USA. A systematic review of empirical literature was employed to undertake a comprehensive critical analysis of psychological capital construct. The sample size comprised of 193 owners/managers of small and medium enterprises (SMEs), who were assessed through criterion validity of a four-factor model of psychological capital, as related to job satisfaction and job tension of employees. The study adopted a theoretical analysis and development approach, which aimed at expanding the conceptual framework for collective categories of the psychological capital construct. A second empirical study was conducted involving the recruitment of 193 employees through a descriptive cross-sectional design of industries. This approach tested the multi-level model that compared the observable relationship between various operational teams of the psychological capital model, through the indicators of employee and work team performance, and functioning. The findings established that there was a positive and strong association between team psychological capital and individual and team level outcomes that is when operationalization of team psychological capital used.

A study was carried out by Avey, Reichard, Luthans, and Mhatre (2013) examining the impact of positive psychological capital on employee attitudes, behaviors, and performance among firms in the USA. Employee attitude was measured through; job satisfaction, organization commitment, and psychological well-being. Desirable well-being was assessed through citizenship and multiple measures of performance comprising of self-supervisor evaluation. The sample size was 51 independent samples representing 12,567 employees. The findings indicated that there was a positive significant relationship between psychological capital and desirable employee attitudes. Further, findings revealed the presence of a significant negative relationship between psychological capital and undesirable employee attitudes and behaviors.

Research and Methodology

The study adopted a positivist philosophical approach and applied descriptive cross-sectional research design. The target population constituted top and middle-level managers of forty commercial banks in Kenya. Using Yamane's (1967) formula, a sample size of 400 respondents was selected through multi-stage sampling. Data was collected using a structured questionnaire and analyzed using SPSS version 22.0. Factor analysis and structural equation modeling were conducted to establish the relationships between psychological capital and internationalization of commercial banks in Kenya. Analysis of Moment Structures (AMOS) was also undertaken to construct the model linking psychological capital and internationalization.

Results

Exploratory Factor Analysis

Exploratory Factor Analyses (EFA) was conducted through Kaiser Meyer-Olin (KMO) Measure of Sampling Adequacy and Bartlett's Test of Sphericity was used to assess the factorability of items. Psychological capital was hypothesized as a second-order latent construct identified by the five first-order latent variables, namely; passion for diversity, self-assurance, and the quest for adventure. To reduce the measurement items for psychological capital constructs and develop appropriate measures, the study carried out factor analysis to obtain the values for Kaiser-Meyer-Olkin (KMO), Bartlett's test of sphericity, and total variance explained by the components. The study also drew out scree plots and evaluated them for the goodness of fit using both absolute and incremental fit indices. The validity inspection of this measurement model indicated that the level of model fit was satisfied.

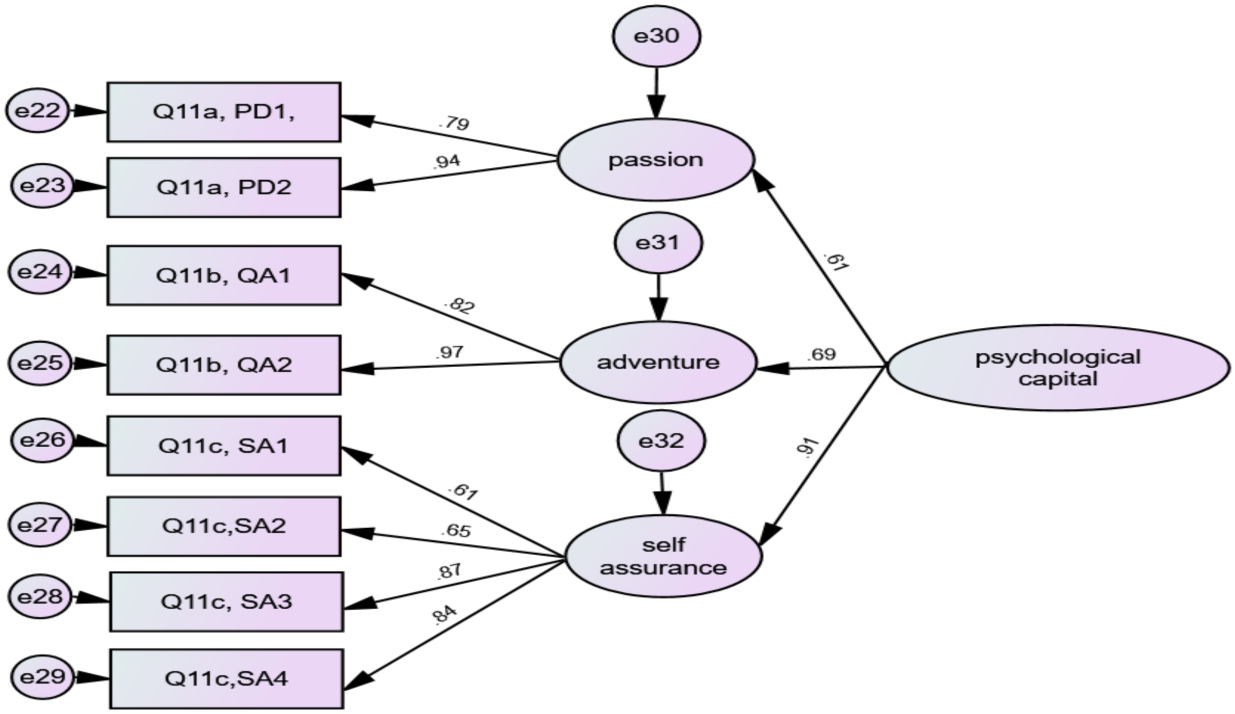
Table 1: KMO and Bartlett's test for psychological capital

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		**.799**
Bartlett's Test of Sphericity	Approx. Chi-Square	1260.889
	Df	28
	Sig.	.00

The results indicate that the Keiser-Meyer Olkin (KMO) measure of sampling adequacy resulted in 0.799, which is greater than 0.5 as recommended by Cerny and Kaiser (1977). This indicated that the data was adequate to run factor analysis. Bartlett's test of sphericity was significant ($\chi 2$ (28, N=283) = 1260.89, p< 0.00) confirming that patterns of correlations are close and factor analysis yielded consistent and reliable factors.

Confirmatory Factor Analysis for Psychological Capital

Confirmatory factor analysis (CFA) was conducted to assess the extent to which the observed data fit the pre-specified theoretically-driven model. The results were as summarized in Figure 1.



x2 = 157.143; x2/df = 8.270; DF=19; CFI=0.889; GFI=0.910; RMSEA=0.061

Figure 1: Confirmatory Factor Analysis for psychological capital

Results in Figure 1 show the fit indices summary provided by the CFA output. The Chi-square value was 157.14 with 19 degrees of freedom. The p-value associated with this result was significant at p = 0.00. In addition to the $\chi 2$ result, the value for CFI, an incremental fit index, was 0.889, which is slightly below the 0.90 thresholds recommended by Hair et al. (2010), but still within the 0-1 range, hence acceptable. The values for absolute fit indices were 0.91 for goodness-of-fit (GFI), which is at the required 0.90 thresholds (Bagozzi & Yi, 1988), hence acceptable. The value for RMSEA was 0.061, which is below 0.08, hence acceptable (Hair et al., 2010). These results suggest that the measurement model for psychological capital provided a reasonably good fit.

Structural Equation Model for psychological capital and Internationalization

Structural Equation Modeling (SEM) technique was used to test the null hypothesis that, psychological capital has no significant influence on the internationalization of commercial banks in Kenya. The R-squared value, path coefficients, and model fit results for the influence of psychological capital on internationalization were as shown in Figure 2.

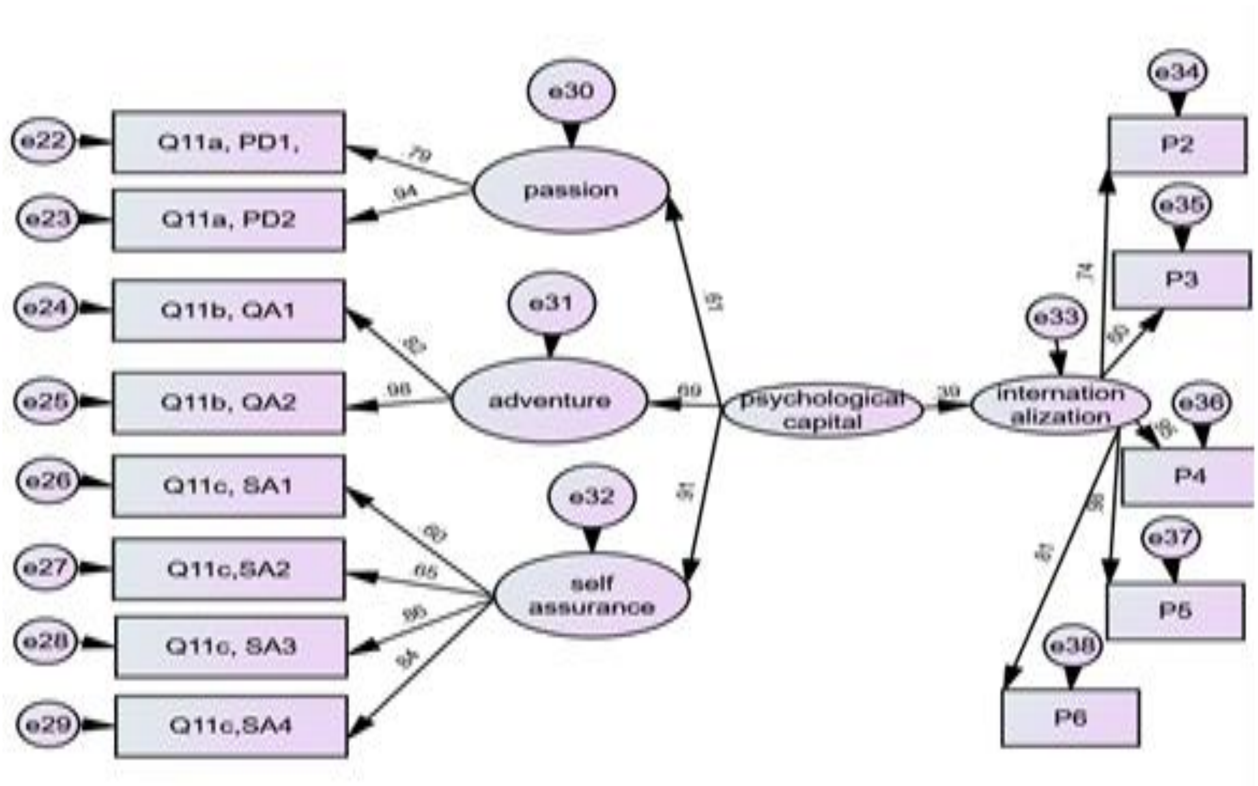


Figure 2: SEM Model for psychological capital

Further, Table 2 shows that the relationship between psychological capital and internationalization of commercial banks was positive and statistically significant (βeta = 0.45, T=6.03, and P<0.05). As a result, this study rejects the null hypothesis, thus, concluding that psychological capital has a significant influence on the internationalization of commercial banks in Kenya.

Table 2: Path Coefficients for Psychological Capital

Path			Unstandardized Estimate	Beta	S.E.	C.R.	P
Passion for diversity	<---	Psychological capital	1	0.70	0.11	8.11	0.00
Quest for Knowledge	<---	Psychological capital	0.88	0.82	0.11	8.01	0.00
Self-assurance	<---	Psychological capital	1.19	0.84	0.11	8.67	0.00
Internationalization	<---	Psychological capital	0.63	0.45	0.11	6.03	0.00

P < 0.05 *, P < 0.01 **, P < 0.00***

Model Fits for psychological capital

The Model Fits for psychological capital is expressed as shown in Table 3.

Table 3: Model Fits for psychological capital

Measure	Estimate	Threshold	Interpretation
GFI	.95	>0.90	Acceptable
CFI	0.93	>0.90	Acceptable
RMSEA	0.07	<0.08	Acceptable

Results show that the value for CFI was at 0.93, which is above the 0.90 thresholds according to Hair et al. (2010) hence acceptable. Further the value for absolute fit indices was 0.95 for goodness-of-fit (GFI), which is greater than the required 0.90 thresholds (Bagozzi & Yi, 1988), hence acceptable. Lastly, the value for RMSEA was 0.07, which was below the 0.08 threshold, hence an excellent fit (Hair et al., 2010). These results suggest that the measurement model for psychological capital provided a reasonably good fit.

Discussions

The findings rejected the null hypothesis (P<0.05) hence posited that psychological capital has a statistically significant influence on the internationalization of commercial banks in Kenya. Previously, psychological capital has been evaluated as an attribute of organizational performance (Yildiz, 2018; Beeker, 2016; Pariat, 2017; Dawkins, 2014. In the current study, psychological capital attributes were: a passion for diversity, a quest for adventure, and self-assurance.

In support of the current study finding, a previous study by Cavus (2015) on psychological capital and its impact on organizational growth also found that to widen constructs that form psychological capital, there is need to include other constructs of psychological capital apart from hope, self-efficacy, resilience, and optimism. Other authors such as Beeker (2016) confirmed the role played by the psychological being of a manager in the successful implementation of expansion strategies. Similarly, other studies have been of similar opinion with the current study findings as much as they were conducted in diverse contexts. For example, a study by Bockony (2015) on the linkage between psychological capital, courage, and entrepreneurial success found that for psychological capital development interventions to be effective, they need to be administered in the right environment. Similarly, Dello, Russo, and Stoykova (2015), in a study on psychological capital intervention, found evidence that management plays an important role in the success of internationalization strategy through psychological capital development. Likewise, a critical analysis study by Dawkins (2014) on theoretical and empirical extensions of psychological capital, as a psychometric foundation of the psychological capital model in the USA, revealed that there is a positive and strong association between psychological capital and internationalization process.

Further, in agreement with current findings, the study by Cavus (2015) provided a descriptive explanation of the nature of the influence of psychological capital on organizational performance. Like in the current study's findings, Cavus (2015) found that self-awareness had the greatest influence on psychological capital, followed by a quest for adventure, and lastly passion for diversity. In turn, these three constructs of psychological capital greatly influenced the success of organizations' international endeavors. The current study confirmed that psychological capital has a great influence on the expected outcome of strategies.

Gota (2017) further agreed with the current study findings by positing that psychological capital provides leverage and competitive advantage, distinct from what is afforded by human global capital. The constructs of optimism, resiliency, and hope represent positive psychological capital; each meets the positive organizational behavior. The capability of psychological capital changes over time and is enhanced by protective factors in the individual and the surrounding environment. Tabaziba (2015) agreed that psychological capital impacts performance with results suggesting that firms with managers who possess a positive psychological capital are more profitable and have higher-performing work units with better retention rates and more satisfied subordinates. From the current study results, psychological capital can seemingly be developmental within individuals, thus, highlighting an opportunity for training nascent managers in commercial banks to be able to thrive and even flourish in foreign markets.

In agreement and alignment with the current study findings, Pariat (2017) found that managers' psychological capital share a positive relationship with the performance of their foreign ventures. Managers' psychological capital was found to explain a significant amount of unique variance in internationalization. Besides, the advantage of psychological capital was found to be greatest among managers in banks with international presence, bearing in mind that the great emotional demands are placed on most managers.

Studies done by Cavus (2015) on psychological capital and its impact on organizational growth are in support of the current study findings since they found that it is imperative to include other parameters of measuring psychological capital to widen the foundation of the relationship. Consequently, Beeker (2016) outlined the importance of psychological capital in the mindset of a manager of commercial banks with expansionist strategies. Other international and local scholars have also realized similar findings that support the current study.

For example, Bockony (2015) studied the linkage between psychological capital, courage, and entrepreneurial success supports the current study findings by revealing that for effectiveness in interventions of psychological capital, a conducive environment for implementation should be inculcated. Similarly, Dello, Russo, and Stoykova (2015) in a study relating to the intervention of psychological capital found evidence suggesting that managers of commercial banks are important for the success of the internationalization strategy. Further, Dawkins (2014) in a study on the theoretical and empirical application of psychological capital in the USA established the existence of a positive and significant relationship between psychological capital and internationalization process.

Concerning the current study findings, Sahoo (2015) argued that psychological capital is important as it creates congruence between personal and organizational goals, and motivates employees to improve on their performance in light with target goals, which in this case could be internationalization.

Further, in agreement with current findings, the study by Cavus (2015) provided a descriptive explanation of the nature of the influence of psychological capital on organizational performance. As in the current study, self-awareness was revealed to be having the greatest influence on psychological capital, followed by a quest for adventure, and lastly passion for diversity. In turn, these three greatly influenced the success of organizations' international endeavors. Further, the current study confirmed that psychological capital has a great influence on the expected outcome of strategies. Similarly, Bockorny (2015) also noted that psychological capital, as an attribute of a global mindset, was a predictive trait for internationalization. Bockorny also supports the current study findings that psychological capital is a significant attribute of a global mindset.

Gota (2017) also agreed with the current study findings by positing that psychological capital provides leverage and competitive advantage, distinct from what is afforded by human global capital. The constructs of optimism, resiliency, and hope represent positive psychological capital; each meets the positive organizational behavior. A study by Wu (2015) also concurred that managers with a high degree of psychological capital led their organizations to a high degree of business formation. Here, psychological capital is presented as a significant component for the development of authentic organizational leadership. As a result, a manager with a positive psychological capital is better prepared to be future-oriented and devoted to the organization.

The capability of psychological capital changes over time and is enhanced by protective factors in the individual and the surrounding environment. Research by Tabaziba (2015) agreed that psychological capital impacts performance with results suggesting that firms with managers with a positive psychological capital are more profitable and have higher-performing work units with better retention rates and more satisfied subordinates. From the results of the current study, psychological capital can seemingly be developmental within individuals, thus, highlighting an opportunity for training nascent managers in commercial banks to be able to thrive and even flourish in foreign markets.

Sihag and Sarikwal (2014) also support the sentiment that managers' psychological capital accounts for a significant amount of variance in performance, especially in new markets, beyond other forms of global capital. Sahin et al. (2014) also agree that such effects can be moderated by the level of environmental dynamism present in the industry, in which the manager leads the firm. Since dynamic foreign business environments tend to present higher levels of uncertainty, demand greater resources, and involve greater amounts of risk than more stable environments, the current study showed a linkage between psychological capital and internationalization of commercial banks, which positively enhance high levels of psychological capital among managers.

In agreement and alignment with the current study findings, psychological capital was found to share a positive relationship with the performance of their foreign ventures (Pariat, 2017). Psychological capital was found to explain a significant amount of unique variance in internationalization. More so, the importance of psychological capital in the internationalization process was eluded to have the greatest value among managers of commercial banks with an international outlook. Naotunna (2015) concurred that psychological capital explains why some individuals, and not others, can develop successful new ventures. Lather and Kaur (2015) agree with the current study findings by outlining interventions that can develop the elements of psychological capital within individuals and concluded that these tools should be able to be used by trainers to develop the psychological capital of individuals working within any industry including banking.

Conclusion

This paper concludes that psychological capital has a positive and significant influence on the internationalization of commercial banks in Kenya. Therefore, it is evident that the psychological traits espoused in managers determine the contribution of the managers to the organizations' ability to venture into international markets. Various traits, therefore, dictate a manager's psychological ability. Specifically, self-assurance, the quest for adventure, and passion for diversity among managers influence their success rate in implementing internationalization strategies among commercial banks in Kenya. The study also concludes that a manager's psychological well-being is directly linked to organizational performance in foreign markets.

Recommendations

The recommendations are that managers need to have the appropriate psychological capital to put their global knowledge into valuable use. Personality tests could also be considered among managers, as awareness of their self-efficacy, optimism, hope, and resilience can determine an individual's overall outcome to an organization. This could help managers in overcoming challenges that may arise in the workplace and could help improve their performance.

Further Research

The researcher recommends a further study to outline other factors that influence the internationalization of commercial banks and how they compare to the influence of psychological capital. This way, banks, and other organizations can be able to identify their comparative advantages and optimal mix of resources that may take or retain them in international markets.

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