

The Impact of Positive Psychology on Occupational Stress in Banking Sector Employees of Sri Lanka

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Abstract

Occupational stress has been posing threats to individual wellbeing, organizational performance, and national productivity for many years. The magnitude of stress effects has multiplied over time, along with increasing complexity in jobs. However, research related to stress has paid scant attention to identifying factors that would act as buffers against occupational stress. This study examines the relationship between positive psychology and occupational stress among individuals. A survey was conducted among 290 banking sector employees in four selected banks in Sri Lanka, and the data was analysed using structural equation modelling. The study found that positive psychology has a negative impact on occupational stress. Further, positive psychological capital and positive psychology at work were found to have a positive interaction effect on occupational stress. The results of this study suggest that high levels of positive psychology should result in low stress levels among employees. The research study contributes to the literature in the field by proposing positive psychology as a tool to combat occupational stress, and by examining the direct relationship between positive psychology at work and occupational stress, as well as the impact of the interaction effect between positive psychological capital and positive psychology at work on occupational stress. Organizations may benefit from this study by introducing initiatives to promote positive psychology at work in addition to enhancing the positive psychological capital of employees to overcome the negative effects of occupational stress.

Keywords: Occupational stress, Positive psychology, Positive psychology at work, Positive psychological capital.

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Introduction

Occupational stress has been a key contributory factor for various issues among individuals and organizations. Consequences of occupational stress have led to several health related issues, adverse mental conditions, and undesirable social behaviours among individuals (Kavanagh, Hurst, & Rose, 1981; Wainwright & Calnan, 2002). As far as organizations are concerned, high levels of occupational stress have resulted in low organizational performance and profitability due to high employee turnover, absenteeism, poor productivity and unethical behaviours among workers (Cooper, Dewe, & O'Driscoll, 2001; Faragher, Cooper, & Cartwright, 2004). Further, occupational stress had been the underlying cause for several auto mobile, industrial and domestic accidents which resulted in several injuries and deaths as well as loss of billions of US dollars to the country's (US) economy every year in terms of lost working days (Quick & Quick, 1979; The Harvard Gazette, 2016). Whilst Sri Lanka is no exception to this trend, previous studies have confirmed the existence of particularly high levels of occupational stress among banking sector employees in Sri Lanka (Harees, 1998; Velnampy & Aravinthan, 2013; Prabakaran & Panchanatham, 2016).

Research related to stress had a bias towards identifying its negative effects, finding the causes for it, and developing coping mechanisms to deal with stress (Nelson & Simmons, 2003). Although stress literature has focused on how individuals and organizations can effectively manage stress utilizing coping mechanisms, research on how to prevent stress remains elusive (Avey, Luthans, & Jensen, 2009). Most popular stress theories and models have attempted to explain how stress is generated, and have focused on weakening those causal factors in order to manage or cope with stress, ignoring the identification of factors that could act as buffers against stress. The closest effort made in the literature to investigate how to combat stress is the development of the Theory of Preventive Stress Management (Quick & Quick, 1979), which suggests that through developing preventive techniques at individual and organizational levels, the adverse effects of stress could be minimized. However, this approach was concerned primarily with controlling stressors at organizational level, and managing stress responses at the individual level, instead of identifying factors that would enable individuals and organizations to combat occupational stress.

Significant attention has been paid to psychological aspects in stress related research. The cognitive appraisal approach and the Conservation of Resources Theory highlighted psychology as one of the key differentiators that cause stress reactions and effects

to vary from one person to another (Folkman, Lazarus, Dunkel-Schetter, DeLongis, & Gruen, 1986; Hobfoll, 1989). Although psychological effects are considered an integral part of stress, individual and organizational level psychological aspects that would prevent stress are yet to be examined thoroughly. Similar to stress research, research related to psychology was also used as a damage repairing tool instead of being used to foster positive qualities among people (Seligman & Csikszentmihalyi, 2000). Seligman (1998) highlighted positive psychology as one of the two most important but least discussed topics in psychology that could make a significant difference to people's lives. Many scholars have suggested that positive psychology would reduce the damages of stress (Gable & Haidt, 2005; Seligman & Csikszentmihalyi, 2000).

Positive psychology is widely discussed under two sub-topics: Positive psychological capital and positive psychology at work. The individual aspect of positive psychology is labelled positive psychological capital (Luthans, Luthans, & Luthans, 2004), and it is aimed at finding the actual and possible self of a person through four psychological capacities: hope, optimism, confidence and resilience (Luthans, Youssef, & Avolio, 2007b). Avey et al. (2009) found that positive psychological capital has a negative impact on occupational stress. Following the study of Avey et al. (2009), there have been a number of studies carried out to empirically validate the relationship between positive psychological capital and occupational stress (Abbas & Raja, 2015; Rahimnia, Mazidi, & Mohammadzadeh, 2013; Wen & Lin, 2014; Celik, 2018). Although the Sri Lankan banking sector has a high level of occupational stress, to the best of the researchers' knowledge there has not been any study carried out to investigate the impact of positive psychological capital on occupational stress.

Seligman (2012) developed the Wellbeing Theory of New Positive Psychology with five measurable elements: positive emotions, engagement, relationships, meaning and accomplishment. Based on the Wellbeing Theory, Butler and Kern (2016) developed a scale that facilitated the measurement of positive psychology at work. Positive psychology at work is also discussed under various topics such as positive organizational scholarship (Cameron, Dutton, & Quinn, 2003), positive organizational behaviour (Luthans, 2002) and job related affective wellbeing (Warr, 1999). However, it appears that positive psychology at work has drawn little attention in stress related literature compared to positive psychological capital.

Quick and Quick (1979) recommended stress prevention techniques at both individual and organizational levels. Peterson (2006) suggested that positive institutions would facilitate the development and display of positive traits among individuals, which, in turn, would result in positive experiences. Drawing upon these arguments, it is clear that there is a positive interaction between positive psychological capital and positive psychology at work which impacts occupational stress. However, despite these arguments, it appears that the interaction effect of positive psychological capital and positive psychology at work on occupational stress has also not been studied in stress literature.

To sum up, this study will address four identified knowledge gaps: lack of attention paid to identifying factors that would act as buffers against occupational stress; lack of research in investigating the impact of positive psychology at work on occupational stress; lack of research in analysing the interaction effect of positive psychological capital and positive psychology at work on occupational stress and lack of empirical validation of the negative impact of positive psychological capital on occupational stress. These gaps in the extant body of knowledge on stress lead to the current inquiry dealing with the impact of positive psychological capital on occupational stress, the impact of positive psychology at work on occupational stress, and the interaction effect of positive psychological capital and positive psychology at work on occupational stress.

This paper makes a number of contributions to the existing literature. First of all, the paper proposes positive psychology at individual and organizational levels as a tool for stress prevention, an alternate view of the individual and organizational level techniques proposed by the Theory of Stress Prevention Management. Thereby, the paper attempts to frame the overall effect of positive psychology on occupational stress. Secondly, it attempts to establish the impact of positive psychology at work on occupational stress. Thirdly, it attempts to establish the impact of the interaction effect between positive psychological capital and positive psychology at work on occupational stress. Finally, the paper intends to empirically validate the impact of positive psychological capital on occupational stress.

The remainder of this paper is structured as follows: In the subsequent section, the theoretical background of the study is presented, beginning with occupational stress, and followed by positive psychology, positive psychological capital and positive psychology at work, respectively. The third section advances the hypotheses, and presents the conceptual model, which is followed by the methodology of the study

and data analysis. The paper concludes with a brief discussion of the theoretical and managerial implications of the study, its limitations and suggestions for future research.

Literature review

Occupational stress

The term stress can be traced back decades, but growing interest in stress related studies began during World War II, as the military wanted to know how to recruit men who were stress resistant, and how to train them to manage stress (Lazarus, 1993). Occupational stress has been cited under different terms in the literature, such as job distress (Quick & Quick, 1979; Leiter, Price, & Laschinger, 2010), job strain (Weidner, Boughal, Connor, Pieper, & Mendell, 1997; Karasek, 1979; Schmitt, Hartog, & Belschak, 2016) and work related stress (Quick & Quick, 1979; Hon, Chan, & Lu, 2013) by various authors, but the discussions seem to be in the same domain as occupational stress. Generally, the term “stress” in literature represents distress or a negative state of stress as per the usage of Hobfall (1989), unless specified as “eustress” which is labelled positive stress by Selye (1976).

Occupational stress has been identified to be the cause for many health related, psychological, biological and physical issues and changes in behaviour among individuals (Kavanagh et al., 1981). Wainwright and Calnan (2002) found that stress symptoms among individuals fall into three main categories: physical symptoms, mental health symptoms and social symptoms. Quick and Quick (1979) listed discomfort, disease, disability and death as costs of distress, and highlighted job dissatisfaction, insomnia, depression and fatigue as symptoms of stress. In addition to these individual costs, organizations too are exposed to direct and indirect costs due to absenteeism, tardiness, employee turnover and accidents. Perrewe, Ferris, Frink and Anthony (2000) stated that changes in the modern working environment as a result of advanced technology, organizational restructuring and redesigning contribute to increasing levels of occupational stress. Faragher et al. (2004) found that high levels of occupational stress could result in additional costs to the organization by way of employee turnover, high absenteeism and poor job performance. Cooper et al., (2001) stated that high occupational stress levels could lead to early retirement, strikes, poor productivity and various unethical behaviours among workers.

Simmons and Nelson (2007) identified stress to be a response to the cognitive appraisal of an individual's experience of an event that is known as a demand or stressor, which results in a positive or negative response depending on the attractiveness of or aversion to the event. Lazarus (1993) explained the stress process in terms of a combination of four (4) concepts: person-environmental relationship, an evaluation that differentiates threatening and benign conditions, coping processes used to face stress, and complex patterns of effects on mind and body that produce stress reactions. Lazarus (1993) also classified stress under three (3) categories: harm, threat and challenge. Harm is the damage that has already been made psychologically; threat is the potential harm that may take place; and challenges are difficult demands that people are confident they can overcome. These three different stress states would have different consequences. Lazarus (1993) argued that these conditions are influenced by both environmental and individual characteristics.

In fact, Selye (1976) categorized stress as comprising of two concepts, eustress and distress. He introduced eustress as an agreeable and healthy variant of stress and distress as a disagreeable and pathogenic state of stress. Hargrove, Quick, Nelson and Quick (2011) identified eustress as the positive and healthy response to the stressors that leads to motivation and challenge. These researchers argued that eustress would result in hope and active engagement in highly demanding jobs, and would contribute towards wellbeing, and superior work performance. Selye (1976) stated that attempts should be made to reduce distress and facilitate eustress, the latter leading to satisfaction from accomplishing a worthwhile task. Quick and Quick (1979) pointed out that preventive techniques at individual level and organizational level are helpful to reduce distress. Lazarus (1993) explained two types of coping mechanisms for stress: problem focused coping and emotion focused coping. If coping actions change a person's relationship with the environment and, as a consequence, if psychological stress could also be changed for the better, it is called problem-focused coping. On the other hand, when a person changes his/her way of understanding, interpreting or attending to a situation, it is called emotion focused coping. Lazarus (1993) presented denial and distancing as powerful techniques that control psychological stress. Nelson and Simmons (2003) developed a holistic model of stress in which they argued that stressors may take the shape of eustress or distress based on individual differences, and advocated that coping methods for distress and savouring techniques for eustress should be promoted in order to produce positive outcomes.

Selye (1976) compared total elimination of stress or cessation of demands to death. Drawing from his argument, it can be understood that there should be a certain level of stress in a person's life to keep it challenging and interesting, a phenomenon he terms eustress. Meanwhile, stress, of course, should not be allowed to grow to a level where it causes damage to both mind and body. Quick and Quick (1979) suggested that stress can lead to eleventh hour productivity if managed properly. In general, it is easier for people to identify experiences of distress or strain rather than positive stress experiences (Nelson & Simmons, 2003).

Most stress theories and models suggest that stress is generated when two conflicting forces clash. As per the job demands-resources model (Bakker & Demerouti, 2007), stress is generated when job demands are greater than job resources. The person-environment fit model (Kahn, Wolfe, Quinn, Snoek, & Rosenthal, 1964) posits the view that misfit between a person's competencies and role demands results in stress. The effort reward imbalance model (Siegrist, 1996) states that stress is experienced when there is a mismatch between job efforts and corresponding rewards. The job strain model (Karasek, 1979) suggests that high job demands and low levels of decision making lead to stress.

Looking at it differently, the Conservation of Resources Theory (Hobfoll, 1989) suggests that the threat of losing resources leads to stress and the cognitive appraisal approach (Folkman et al., 1986) states that appraisal of potential threats and their attendant harms would also cause stress. This list could potentially expand, with new contributions to stress related literature. Nevertheless, it can be observed that the primary focus of these models is on what causes stress and not on how to combat stress. The preventive stress management approach suggests that through preventive techniques stress responses could be channelled towards eustress (Quick & Quick, 1979). However, this approach is also more concerned with treating stress symptoms, rather than identifying factors that would prevent distress.

Although individual differences in motivational and cognitive variables determine the reaction to a stressor and impair or improve task performance under the same stress conditions, psychology has long ignored individual differences in human beings that alter reactions to stressors (Lazarus, 1993). However, since the late 1980s, studies have started to focus on personality traits such as resilience, hardiness, hope, learned resourcefulness, optimism, self-efficacy and sense of coherence that make some people able to resist stress more than others (Lazarus, 1993). These arguments highlight

the role of psychological capacities on varying stress reactions and responses among individuals, and also align with the topic of positive psychological capital which emphasizes that differences in psychological states make people absorb different levels of stress and vary in their reactions to stressors.

Positive psychology

Positive psychology was introduced by Seligman (1998) two decades ago. It is the study of human strengths and virtues that results in three factors: subjective experiences, individual characteristics and institutional elements (Seligman & Csikszentmihalyi, 2000). Subjective experiences in positive psychology are derived from contentment, wellbeing, and satisfaction about the past; happiness in the present; and optimism and hope for the future. Individual characteristics of positive psychology include individual capacity, interpersonal skills, talent, courage and forgiveness. Institutional elements such as citizenship behaviour, taking responsibility, nurturing talent, altruism and work ethics are useful in instilling positive psychology at work (Seligman & Csikszentmihalyi, 2000). It is important to note that positive psychology has not replaced psychology. Peterson (2000) describes the field of positive psychology as a new and growing movement of psychology that would complement and extend it. The difference between psychology and positive psychology is that positive psychology aims to build strengths and competencies among people instead of treating for disorders and pathologies. In other words, positive psychology is about building what is right instead of fixing what is wrong. Martin (2005) found that positive psychology paves the way to enhance the level of satisfaction, motivation, and productivity in the workplace.

Peterson (2006) argued that it is possible for people to be happy and content without having a positive individual character when they are attached to a positive institution or when they have a positive individual character but are not attached to a positive institution. However, it is much simpler to attain happiness if institutions, individual traits and experiences are in alignment. When all three of these domains come together, it certainly makes for a better life. Further, Peterson added that positive institutions would facilitate development and display of positive traits in individuals, which in turn would result in positive experiences. Drawing from this argument, it can be understood that the combined strength of positive psychological capital and positive psychology at work is greater than the individual strength of each factor in combating stress. Seligman and Csikszentmihalyi (2000) stated that positive psychology should be able to document what particular work settings would generate greater satisfaction among

employees. However, Gable and Haidt (2005) found that research in positive psychology has not paid much attention to positive institutions.

Warr (1999) presented a two dimensional model and a three-axis measurement for job specific wellbeing. He argued that job specific wellbeing is positively correlated with positive affectivity and negatively correlated with negative affectivity. Further, job specific wellbeing is influenced by individual factors as well as by job features, and results in six different states: displeasure, pleasure, anxiety, comfort, depression and enthusiasm. However, positive psychology doesn't suggest that people need to be happy at work all the time; instead, it ensures that negative emotions do not grow to a destructive level (Langley, 2011).

Wellbeing theory of new positive psychology

Seligman (2012) formulated the Wellbeing Theory of New Positive Psychology, which is also known as the PERMA model, and argued that wellbeing is a topic of positive psychology. PERMA stands for the five measurable elements in the Wellbeing Theory, which represent positive emotions, engagement, relationships, meaning, and accomplishment. The PERMA model consists of elements that can measure both positive experiences at work and positive institutional characteristics that together create positive psychology at work. Langley (2011) suggested that positive institutions can be created by focusing on positive emotions, engagement, meaning and relationships. Further, enabling employees to experience positive accomplishments were also highlighted as an integral part of a positive organization (Langley, 2011). Positive emotions, engagement, relationships, meaning and achievement are the factors that affect positive psychology (Seligman, 2012). Thus, it could be interpreted that in a workplace where these factors are found at their highest level, a high level of positive psychology would be evident.

Seligman (2012) refers to positive emotion as the cornerstone of the Wellbeing Theory. Positive emotions are defined by a person's thoughts and feelings. Positive emotions encompass the subjective wellbeing variables such as pleasure, comfort, ecstasy, like and warmth. Positive emotions increase emotional wellbeing, and help the individual cope with adversities (Fredrickson, 2001). Positive emotions of leaders are likely to influence the positive emotions of their followers or subordinates (Johnson, 2009). Wall, Russell and Moore (2017) stated that positive emotions lead to a variety of impacts in the workplace. Fredrickson (1998) discussed various short term and long term

advantages of positive emotions such as joy, interest, contentment and love. According to Fredrickson's (1998) 'broaden and build' model, positive emotions broaden the scope of attention, cognition and actions, and build physical, intellectual and social resources. Further, positive emotions reduce the effects of negative emotions and promote increased control over health (Fredrickson, 1998). Cannon (1915) suggested that different kinds of emotions are associated with fight or flight responses to a given situation or threat. An emotion like fear would cause a flight response whereas an emotion like anger would provoke a fighting instinct. In like manner, positive emotional states may promote healthy perceptions, beliefs and physical wellbeing (Salovey, Rothman, Detweiler & Steward, 2000, p. 110).

Engagement, relationships, meaning and achievement have both subjective and objective components (Seligman, 2012). Positive work engagement is a persistent and persuasive mental state that makes people display high energy and connection towards work activities and enable them to handle work demands better than less engaged employees (Schaufeli & Bakker, 2006). Team level work engagement spreads across team members and reduces the symptoms of burnout (Bakker, Emmerik & Euwema, 2006). Engagement is portrayed as the opposite state of burnout (Schaufeli & Bakker, 2006). Positive relationships are one of the characteristics highlighted by Masten and Reed (2002) to be good adaptive characteristics in the context of risk. Goleman and Boyatzis (2008) stated that mirror neurons detect others' behaviours and mirror them in themselves. As such, people who smile and are easy going are able to trigger the same responses in others, and thereby may help bond a team together, which in turn leads to higher performance. An organization's ability to achieve its goals are determined by individual performances and relationships among people (Langley, 2011). Meaningfulness is the extent to which one perceives that a job makes sense emotionally, the extent to which one must exert energy to face problems or the demands of work, and the extent to which a job is worthy of commitment and engagement (Simmons & Nelson, 2007). An individual's personal judgement of the value of a task, goal or purpose based on his/her own values and standards is called meaningfulness (Thomas & Velthouse, 1990). It is also referred to as the representation of a kind of psychic energy invested in a particular task. Meaning at work can be derived through purpose, values, efficacy and self-worth (Langley, 2011). A sense of achievement is also identified as a key factor in stress appraisals among individuals. Personal accomplishment was found to be a significant factor in the assessment of stress among people engaged in human service occupations (Firth, McIntee, McKeown, & Britton, 1985). Raquepaw and Miller (1989) found that a lack of personal accomplishment at work led to negative

self-evaluations among individuals, and in turn resulted in high degrees of burnout. The above discussion confirms that all five elements of the Wellbeing Theory of New Positive Psychology contribute towards reducing the stress levels of employees.

Positive psychological capital

Luthans, Youssef, and Avolio (2007a, p. 3) defined positive psychological capital as an individual's positive psychological state of development, and it 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 towards 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 (resilience) to attain success. Luthans et al. (2004) argued that positive psychological capital contributes to superior performance with enhanced productivity, customer service and employee retention. Self-efficacy, hope, optimism and resilience are identified as key components of positive psychological capital (Luthans et al., 2004). Xu, Liu and Chung (2017) found that employees who possess high levels of psychological capital are likely to be successful at coping with stress. Han, Brooks, Kakabadse, Peng, and Zhu (2012) found that positive psychological capital is linked to low levels of stress symptoms in Chinese employees. Avey et al. (2009) stated that human resource development initiatives aimed at increasing components of positive psychological capital such as efficacy, hope, optimism and resilience would reduce perceived symptoms of stress.

Self-efficacy is also identified as confidence, and defined as an individual's belief in his or her ability to complete a given task within a specific context (Stajkovic & Luthans, 2003). Thus, employee performance related to a given task is dependent upon that employee's level of self-efficacy. Bandura (2001) predicted that a strong sense of coping with efficacy would reduce vulnerability to stress or depression in difficult situations. Employees with higher self-efficacy will identify the required level of effort needed for task completion and make a great effort at performing a task in order to become successful, whereas employees with low self-efficacy will withdraw their effort beforehand, and fail to complete the task (Stajkovic & Luthans, 2003).

Seligman (2006) described optimism through defining characteristics of optimists and pessimists. He argued that optimists are never set back by defeats. Instead they perceive them as challenges and try harder to overcome those challenges. But pessimists believe

in bad luck and are broken by defeats. These characteristics of pessimists undermine their efforts and make them give up easily and feel depressed. Thus, optimists perform better than pessimists in sports, work and college. Any organization that has more optimists has an edge over others (Seligman, 2006). Optimists engage in active problem-solving based on coping and in positive primary appraisals that strengthen their beliefs that they could handle a certain situation (Simmons & Nelson, 2007).

Snyder, Irving and Anderson (as cited in Snyder, 2000, p. 174) define hope as “a positive motivational state that is based on an interactively derived sense of successful (a) agency (goal-directed energy) and (b) pathways (planning to meet goals)”. Snyder (2002) stated that low hope people are prone to succumb to stressors and lose their focus on achievement of goals. However, high hope people would see stressors as challenges, where they work around those stressors to find out alternative pathways to pursue their goals. Peterson and Luthans (2003) suggest that managers who have high levels of hope are likely to achieve superior performance, high employee retention and have highly satisfied employees at their workplaces.

Resilience is defined as the capacity to recover quickly from any hardship and as dramatic positive changes that occur in the turbulent business environment prevailing at present (Luthans et al., 2004, p. 47). Resilience enables individuals to handle risks and challenges with enhanced coping skills and recover to competent levels from psychological stress (Zunz, 1998). Luthans (2002) argued that in facing today’s stressful and turbulent environment with the positive psychological capacity of resilience, employees and leaders may achieve important implications in the workplace. Absence of undesirable mental conditions such as emotional distress is one of the criteria used to describe resilience, and it is one of the factors that makes individuals react with more or less distress in the face of a certain threat (Masten & Reed, 2002).

Hypotheses and conceptual model

Positive psychological capital and perceived occupational stress

Studies carried out in the area of positive psychological capital suggests that it is effective in combating stress. The studies of Avey et al. (2009) and Xu et al. (2017) revealed that employees with high psychological capital are better at coping with stress. Han et al. (2012) found that positive psychological capital results in lower stress symptoms. Avey

et al. (2009) stated that any attempt to improve psychological capital components would be likely to reduce perceived symptoms of stress.

The study of Avey et al. (2009) found that positive psychological capital has a negative impact on occupational stress. Studies carried out by Abbas and Raja (2015) in Pakistan, Rahimnia et al. (2013) in Iran, Wen and Lin (2014) in Taiwan, and Celik (2018) in Turkey also confirmed that positive psychological capital has a negative impact on occupational stress. However, Wen and Lin (2014) and Celik (2018) suggested that more evidence is required in different contexts to generalize the results. Thus, the following hypothesis is proposed.

H₁: Positive psychological capital has an impact on perceived occupational stress.

Perceived positive psychology at work and perceived occupational stress

Positive psychology doesn't suggest that people need to be happy at work all the time; instead it ensures that negative emotions do not grow to a destructive level (Langley, 2011). Several arguments put forward in the literature suggest that positive psychology would weaken the adverse effects of occupational stress. When positive psychology was introduced two decades ago, Seligman and Csikszentmihalyi (2000) emphasized its importance in suppressing emotional disorders, promoting mental wellbeing and helping people achieve a healthy life.

Langley (2011) suggested that positive institutions can be created by promoting positive emotions, engagement, meaning and relationships, where enabling employees to experience positive accomplishments are also highlighted as an integral part of a positive organization. Martin (2005) found that positive psychology would enhance the level of satisfaction, motivation, and productivity in the workplace. Gable and Haidt (2005) pointed out that through enabling people to understand human strengths, positive psychology would reduce the damage caused by stress. Therefore, the following hypothesis is proposed.

H₂: Perceived positive psychology at work has an impact on perceived occupational stress.

Interaction effect of positive psychological capital and perceived positive psychology at work

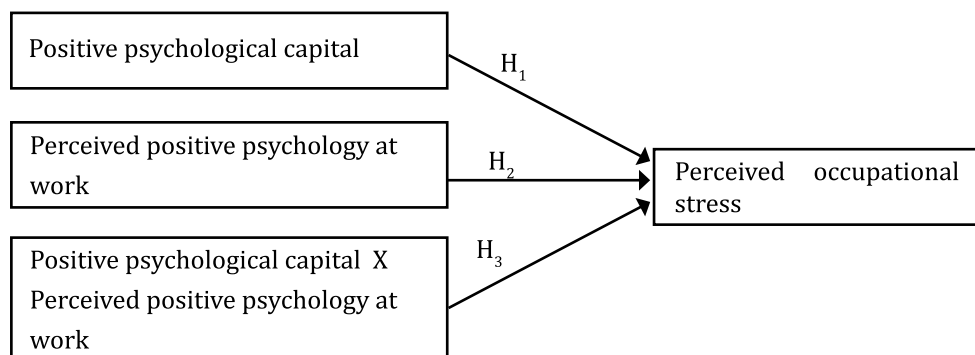
As per Seligman and Csikszentmihalyi (2000), positive psychology at both individual and organizational levels should serve as buffers against stress. Various scholars have claimed that positive psychological capital and positive psychology at work would prevent distress. Han et al. (2012) and Avey et al. (2009) advocated that positive psychological capital could prevent distress, whereas Langley (2011) and Gable and Haidt (2005) highlighted the importance of positive institutions or positive psychology at work in combating stress.

Peterson (2006) stated that positive institutions help develop positive individual traits and thereby promote positive experiences within an organization. Peterson (2006) further argued that it is possible for individuals to be happy, without having positive individual traits when they are attached to a positive institution or when they have positive individual traits but are not attached to a positive institution. However, better results are produced when both positive individual characteristics and positive institutions are in alignment. Hence, the following hypothesis is proposed.

H₃: The interaction between positive psychological capital and perceived positive psychology at work impacts on perceived occupational stress.

Based on the above hypotheses, the conceptual model was adopted as illustrated in Figure 1.

Figure 1: Conceptual model



Methodology

Participants and procedures

This study was based on the positivist research philosophy which is underpinned by the belief that reality is independent of the observer, and the goal of a study is the discovery of theories based on empirical research (Collis & Hussey, 2014, p. 44). The survey strategy was used to collect data from the sample through a self-administered questionnaire. Collis and Hussey (2014) stated that since positivism holds the view that social phenomena can be measured, it is associated with quantitative analysis based on statistical analyses of quantitative research data. Hence, this research followed the quantitative analysis technique.

The banking sector of Sri Lanka consists of 26 licensed commercial banks (Central Bank of Sri Lanka, 2019). The unit of analysis of this study was individual bank employees, and the research sample was drawn through the convenience sampling method from 04 banks which included three (03) private banks and one (01) state bank. Altogether, the study population comprised of 19,889 employees (Bank of Ceylon, 2018; Hatton National Bank, 2019; Commercial Bank of Ceylon, 2019; National Development Bank, 2019). 520 questionnaires were distributed among the sample and 296 responses were returned yielding a response rate of 57%.

A pilot study was conducted with a sample of 50 respondents to assess face validity and Cronbach's alpha reliability of the questionnaire used for the data collection process. Three industrial experts and two academics assessed the face validity of the questionnaire. The questionnaire was upgraded based on the suggestions made. Hair, Black, Babin, and Anderson (2014) mentioned internal consistency to be the most commonly used test to assess reliability, where the reliability coefficient test is performed to assess the consistency of scales. The Cronbach's alpha coefficient was measured to assess the reliability of the questionnaire. The pilot study confirmed that the scales used for data collection have face validity and adequate reliability ($\alpha > 0.7$).

Measures

Positive psychological capital

The PsyCap questionnaire, a 24 item scale developed by Luthans, Avolio, Avey, and Norman (2007), which measures positive psychological capital under four dimensions: efficacy, hope, resilience and optimism, each equally weighted and consisting of 6 items, was used to measure positive psychological capital. Responses on positive psychological capital were scored on a 7 point Likert scale where “Strongly disagree” was scored 1 and “Strongly agree” was scored 7. Item example: “I feel confident analysing a long-term problem to find a solution”.

Perceived positive psychology at work

Kern (2014) developed the workplace PERMA Profiler, a 23 item scale to measure PERMA at the workplace. A shorter version of the scale, i.e. 15 items or 05 sub scales that measure each pillar of the PERMA model was used to measure perceived positive psychology at work. These 05 sub scales have 03 items each that measure positive emotions, engagement, relationships, meaning and achievement in the workplace. Goodman, Disabato, Kashdan and Kauffman (2018) also used only the 05 sub scales of the PERMA Profiler in their study. Responses on positive psychology at work were scored on a 5 point Likert scale where “Strongly disagree” was scored 1 and “Strongly agree” was scored 5. Item example: “To what extent do you feel appreciated by your co-workers?”

Perceived occupational stress

The Perceived Stress Scale (PSS) was used to measure perceived occupational stress. The Perceived Stress Scale developed by Cohen, Kamarck, and Mermelstein (1983) is widely used to measure the perceived stress levels of employees. It is a context free questionnaire designed to identify how unpredictable, uncontrollable and overloaded respondents find their activities and tasks in day to day life, and that can be used in any context. Items in the PSS are easy to understand, and consider the feelings of respondents during the past month. Respondents were required to answer how frequently they felt in a certain way. Responses on perceived occupational stress were scored on a 5 point Likert scale where “Strongly disagree” was scored 1 and “Strongly agree” was scored

5. Item example: “In the last month, how often have you found that you could not cope with all the things that you had to do?”

Data analysis and results

The sample of the study had adequate gender representation, with a slightly higher percentage of male respondents (57.2%) than female respondents (42.8%). Although various age groups were found in the sample, 84.8% of the sample was equal to or less than 35 years of age. A diverse positional mix was also found in the sample, from trainees to senior managers, with a high representation of banking assistants (53.8%). The survey respondents had up to 15 years work experience, where 73.4% of the respondents had only up to 5 years of experience and 52.8% of the respondents were non-graduates.

The collected data were initially scanned for accuracy and subjected to a data cleaning process in order to identify outliers and provide treatment for missing values. The collected data were entered into a data sheet in the IBM software, Statistical Package for the Social Sciences (SPSS) version 20. Boxplot diagrams were drawn for each variable comprising of all items of the scale in order to identify outliers. Outliers can be defined as the unusual responses that distort statistical test results (Malhotra & Dash, 2011). The survey responses of this study did not contain any common outliers, and hence, all cases qualified for analysis (Gunawardena & Galahitiyawe, 2016). However, 06 questionnaires were removed due to incompleteness with many missing values. The remaining 290 questionnaires were used for the final analysis.

Common method variance and non-response bias tests were performed prior to hypothesis testing to ensure that the data used for the study was not biased. Multivariate assumptions such as normality, multicollinearity, linearity and homoscedasticity were tested, and the results confirmed that the data is suitable for multivariate analysis. KMO and Barlett's test of sphericity were performed to confirm sampling adequacy for factor analysis, and it was found that items loaded onto their underlying factors, proving that unidimensionality has been maintained. In order to test internal consistency, Cronbach's alpha was calculated for each factor and the tests results were satisfactory, with each factor having reliability values higher than 0.70 (Nunnally, 1978; Hair et al., 2014).

Measurement model

The measurement model focuses on establishing the validity and reliability of the measures of each construct. Confirmatory Factor Analysis (CFA) was performed using AMOS 20.0 software on the 290 samples to determine the convergent validity of items. Table 1 shows the 4 items in the perceived stress scale that were removed due to factor loadings below 0.5 level ($\lambda < 0.5$) (Hair et al., 2014). All latent variables were correlated significantly, and did not report any multicollinearity issues after the refinement (Gunawardena & Galahitiyawe, 2016).

Table 1: Removed items

Construct	Indicator	Statement
Perceived Occupational Stress (POS)	POS4	In the last month, how often have you felt confident about your ability to handle your personal problems?
	POS5	In the last month, how often have you felt that things were going your way?
	POS7	In the last month, how often have you been able to control irritations in your life?
	POS8	In the last month, how often have you felt that you were on top of things?

Refined scales used in the study indicated satisfactory validity and reliability. All items of scales used for the analysis maintained factor loadings over 0.5. AVE scores higher than 0.5 are considered an acceptable level of convergent validity. However, according to Fornell and Larcker (1981), if the AVE is less than 0.5, but composite reliability is higher than 0.6, the convergent validity of the construct is still adequate. Hence, AVE scores over 0.4 can be accepted if composite reliability is above 0.6. All scales reported Cronbach's alpha reliability and composite reliability of over 0.7 (Nunnally, 1978; Malhotra & Dash, 2011). AVE scores of all constructs were greater than the squared multiple correlation in the squared multiple correlation vs. AVE test, which suggests that there is no discriminant validity issues in the constructs. The results of the reliability and validity tests are given in Table 2.

Table 2: Reliability and validity measures

Variable	No of Items	AVE	Composite Reliability	Cronbach's Alpha	AVE vs SMC		
					POS	PPPW	PPC
POS	6	0.467	0.849	0.840	.467		
PPPW	15	0.603	0.905	0.907	.146	.603	
PPC	24	0.662	0.912	0.916	.257	.567	.662

Model fit for the measurement model of this study was examined based on multiple fit indices. Absolute fit indices such as a Normed Chi-Square (CMIN/DF) of 1.931, a Goodness of Fit Index (GFI) of 0.778 and a Root Mean Square Error of Approximation (RMSEA) of 0.057; incremental fit indices such as a Comparative Fit Index (CFI) of 0.933, Tucker Lewis Index (TLI) of 0.927 and Incremental Fit Index (IFI) of 0.933 and parsimony fit indices such as Parsimony Ratio (PRATIO) of 0.924 were recorded for the measurement model. According to Hu and Bentler (1999), a CMIN/DF value of less than 3 represents a good model fit. Values of GFI, CFI, TLI, IFI, and PRATIO would be in the range of 0 to 1 and values closer to 1 represent a better fitting model, whereas a RMSEA value of 0.08 or less is considered as a good fit (Hu & Bentler, 1999; Hair et al., 2014). Accordingly, the multiple fit indices confirmed that the measurement model has a satisfactory model fit.

Structural model and hypotheses testing

Subsequent to the validation of the measurement model, structural models were developed to test direct effects and interaction effects between variables. Structural equation modelling involves testing causal relationships between variables in order to test the hypotheses advanced. All hypotheses were tested at the 95% confidence interval. CMIN/DF of 2.983, GFI of 0.747, RMSEA of 0.083, IFI of 0.864, TLI of 0.850, CFI of 0.863 and PRATIO of 0.913 were recorded for the final structural model. Accordingly, it could be seen that the multiple fit indices of the structural model also showed satisfactory model fit.

This study found that both positive psychological capital ($\beta = -0.263$, $p < 0.05$) and perceived positive psychology at work (PPPW) ($\beta = -0.325$, $p < 0.05$) negatively impact perceived occupational stress (POS). However, perceived positive psychology at work has a higher negative impact than positive psychological capital (PPC) on perceived occupational stress. Yet, the interaction effect between positive psychological capital

and perceived positive psychology at work on perceived occupational stress has a higher negative impact ($\beta = -0.330$, $p < 0.05$) than the direct effects. The results of the three hypotheses tested in the study are presented in Table 3.

Table 3: Results of hypotheses testing

Path	Hypothesis	β Value	P Value	Decision
PPC→POS	<i>H₁: Positive psychological capital has an impact on perceived occupational stress.</i>	-.263	.000	Supported
PPPW→POS	<i>H₂: Perceived positive psychology at work has an impact on perceived occupational stress.</i>	-.325	.000	Supported
PPC*PPPW→POS	<i>H₃: The interaction between positive psychological capital and perceived positive psychology at work has an impact on perceived occupational stress.</i>	-.330	.000	Supported

Discussion

The primary objective of the study was to identify how positive psychology affects occupational stress of banking sector employees in Sri Lanka. As per the Theory of Preventive Stress Management, stress prevention should be applied at both individual and organizational levels (Quick & Quick, 1979). Literature related to positive psychology suggests that positive psychology would prevent or reduce the damages of occupational stress and it has also been widely discussed at individual and organizational levels. Hence, this study made an attempt to create a link between these two concepts, where the relationship between positive psychology and occupational stress was studied at individual and organizational levels. The literature also suggests that positive psychology at the individual level has a positive interaction with positive psychology at work (Peterson, 2006). Hence, another objective of this study was to investigate how the interaction effect works in terms of stress prevention.

The study analysed the main direct effects between positive psychological capital and perceived occupational stress, and perceived positive psychology at work and perceived occupational stress, as well as the impact of the interaction effect of positive psychological capital and perceived positive psychology at work on perceived

occupational stress. Data analysis of this study revealed that positive psychological capital and perceived positive psychology at work individually negatively impact perceived occupational stress. Further, it was found that there is a positive interaction between positive psychological capital and perceived positive psychology at work which impacts on perceived occupational stress. As such, the negative impact of each variable against perceived occupational stress is further strengthened by the interaction effect.

Findings of the study suggest that positive psychological capital has a statistically significant negative impact on perceived occupational stress. This implies that employees with high positive psychological capital are less vulnerable to adverse effects of occupational stress. Avey et al. (2009) also found that positive psychological capital negatively affects occupational stress with a β value of -0.35 ($P < 0.05$). This study also produced a similar result with a slightly lower β value of -0.26 ($P < 0.05$). Studies conducted in Pakistan, Iran, Taiwan and Turkey also established the negative relationship between positive psychological capital and stress with varying β values of -0.15, -0.17, -0.42 and -0.41 respectively (Abbas & Raja, 2015; Rahimnia et al., 2013; Wen & Lin, 2014; Celik, 2018). Hence, this study fills the empirical gap by validating the negative relationship between positive psychological capital and occupational stress in the banking industry in Sri Lanka.

Positive psychology at work has not been a popular research area in stress related research. Gable and Haidt (2005) argued that positive psychology would prevent or reduce the damages of stress. However, they also pointed out that there is little research being produced in relation to positive psychology in organizations. In other words, research has overlooked the relationship between positive psychology at work and occupational stress. As such, this study draws the attention of researchers to the relationship between positive psychology at work and occupational stress in different contexts. The results of the study confirm that there is a negative impact of perceived positive psychology at work on perceived occupational stress, with a β value of -0.33 ($p < 0.05$). Results of the study are in line with the literature and confirm the arguments made by positive psychology researchers. Hence, the findings of the current study suggest that high levels of positive psychology at work would reduce the levels of occupational stress in organizations.

The statements of Seligman and Csikszentmihalyi (2000) and Peterson (2006) suggest that positive psychological capital would have a positive interaction with positive psychology at work in combating stress. However, these claims require empirical

validation. Accordingly, this study found that there is a positive interaction between positive psychological capital and perceived positive psychology at work, which impacts negatively on perceived occupational stress. Therefore, the results of the current study confirm that the negative impact between positive psychological capital and perceived occupational stress is further strengthened by perceived positive psychology at work.

Theoretical implications

The aim of this paper was to find out how positive psychology affects occupational stress among employees. Although stress literature has focused on how individuals and organizations can effectively manage stress, research on how to combat stress remains elusive (Avey et al., 2009). Accordingly, this research study provides an overall view of the impact of positive psychology on occupational stress by replacing the individual and organizational level preventive techniques originally suggested by the Theory of Preventive Stress Management, with positive psychological capital and positive psychology at work. The study found that both positive psychological capital and positive psychology at work are effective in reducing occupational stress. Accordingly, this study establishes the negative impact of positive psychology at work on occupational stress which was overlooked in previous research studies. The study contributes to the literature by establishing that positive psychology at both individual level and organizational level would act as buffers against occupational stress. As such, the study confirms that positive psychology is effective in combating occupational stress.

This study contributes to the existing theory by confirming the positive interaction effect between positive psychological capital and positive psychology at work that impacts occupational stress, which has not been explained fully in the previous literature. The study reveals that positive psychological capital and positive psychology at work are more effective in combating occupational stress when both factors are present together. Overall, the study provides a comprehensive view on the relationship between positive psychology and occupational stress by establishing or validating the impact of positive psychological capital, positive psychology at work and their interaction effect on occupational stress.

Unlike with positive psychology at work, the negative impact of positive psychological capital on occupational stress has already been established by previous research. However, as suggested by Wen and Lin (2014) and Celik (2018), these findings require

more empirical validation in various contexts for generalization. Accordingly, this study addressed this gap by empirically validating the negative impact of positive psychological capital on occupational stress among banking sector employees in the Sri Lankan context.

Managerial implications

Occupational stress among employees has become a serious threat to business performance. Every year, billions of dollars are lost due to occupational stress. Absenteeism, low productivity, health and safety issues and employee turnover are some of the consequences of occupational stress. As jobs are becoming increasingly more complex, coupled with high demands, the levels of occupational stress are also on the rise. At some point this issue needs to be addressed before it gets out of control. However, it should be clearly understood that in most instances it is not possible to completely eliminate the stressor. For example, if job demands are causing stress, it is not practical to reduce the job demands in order to reduce occupational stress. Therefore, an alternative solution should be mooted to address this issue. The best solution would be to find out factors that would act as buffers against occupational stress, or that help to prevent or reduce job related distress. Upon identification of those factors, organizations should attempt to promote them within their work environments.

This study found that high positive psychological capital and positive psychology at work would prevent or reduce occupational stress. This implies that managers should take initiatives to enhance positive psychological capital of employees and promote positive psychology at work to minimize the costs of occupational stress. Therefore, organizations should incorporate positive psychological capital as an assessment criterion for recruitment in order to attract people with high positive psychological capital to the organization. Levels of positive psychological capital of existing employees could be enhanced through training and development programmes. Positive psychology at work could be promoted through employee recognition programmes, flexible working arrangements, talent development programs and through creating recreational areas in workplaces.

This research found that there is a positive interaction between positive psychology at work and positive psychological capital in combating stress. Hence, better results could be obtained if organizations take initiatives to promote both positive psychological capital and positive psychology at work, simultaneously. Due to the interaction effect,

organizations would be able to reduce the level of job related distress significantly. This course of action will enable organizations to reap many benefits. Due to the reduction in occupational stress levels, health related issues faced by employees as a consequence of occupational stress would also decline. Financial losses faced by organizations due to sick leave, absenteeism and accidents would also decrease. Since acceptable levels of occupational stress coupled with positive psychological states may lead to eustress, organizations may also witness positive results in terms of individual and organizational performance in the long run.

Limitations and future research

This study opened several avenues for future research. First of all, this study investigates only the impact of positive psychology (individual and work) on occupational stress. There may be factors other than positive psychology that may act as buffers against occupational stress such as an individual's demographic factors and organisational leadership. Future studies may be conducted to identify other possible factors that may help to reduce or prevent job related distress. As a result, it is possible to develop a more comprehensive model on occupational stress prevention.

There is a limitation in generalizing particular research findings across various industries, as the study was conducted only in the banking sector of Sri Lanka. Hence, similar research studies may be conducted in different industries among different sample groups in different contexts in order to generalize the findings. As different industries and countries have their unique characteristics, further studies would empirically validate the theoretical framework discussed in this study. By replicating the study in different contexts it is also possible to identify how cultural differences affect the relationship between positive psychology and occupational stress.

Conclusion

The findings of this study demonstrate that positive psychology is effective in combating stress. Accordingly, high levels of positive psychological capital and positive psychology at work would result in lower levels of occupational stress. It was also found that the combined effect of positive psychological capital and positive psychology at work have a negative impact on occupational stress. However, the combined effect is greater than the individual effects of positive psychological capital and 'positive psychology

at work to occupational stress. Thus, the paper suggests the need to promote positive psychology at the individual level as well as the organizational level in order to reap more abundantly the benefits of reduced financial and other costs incurred previously due to occupational stress.

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