

Applied Positive Psychology

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Week 11

Lecture 31: Positive Psychology and the Workplace

I welcome you all to Module 11 of this course. Module 11 is about positive psychology interventions in the workplace. This module will focus on how positive psychological principles and theories can be applied in the context of the workplace. This is the first lecture of Module 11, and overall, this is lecture number 28. Today's lecture is titled "*Positive Psychology and the Workplace*." We will focus on the broader aspects of positive psychology that can be applied in the workplace context.

Before we talk about today's lecture, let me give you a brief recap of the last lecture, which is lecture number 27 and was part of an earlier module on the application of positive psychology in education and classroom settings. In the last lecture, we talked about the concept of self-determination theory and how various concepts within this theory, particularly basic psychological needs, can be applied to understanding human motivation, and more specifically, motivation in classroom and educational settings. We discussed how we can promote intrinsic motivation and more internalized forms of extrinsic motivation in the classroom context. We also looked at how these concepts—intrinsic motivation and internalized extrinsic motivation—can be implemented in educational settings and what their implications are for educators and teachers. And at the end, we discussed some practical instructions and suggestions that can be incorporated in the context of practicing or classroom teaching. So, there is a direct applied aspect in terms of how it can be used in classroom teaching and so on. These are some of the things that we discussed in the last lecture. Today's lecture will focus on some of the broad ideas from positive psychology that are implemented in the context of the workplace. We will focus on the concept of positive organizational behavior.

We will also focus on positive organizational scholarship and how these concepts are related to positive psychology. We will also talk about positive psychological capital and examine the different resources that are discussed under the concept of psychological capital. These are some of the broad issues or concepts that are directly connected to positive psychology and implemented in organizational and workplace contexts. So, let us start today's lecture. When we talk about the concept of organizations, workplace setups, and so on...

There are many rapid changes happening in the current organizational context. There are a lot of disruptions occurring; for example, especially in the very recent one or two years, artificial intelligence has caused significant disruption in organizational setups and so on. Many new

technologies are emerging. Innovations are happening. Many businesses are moving into online contexts, such as Amazon, Airbnb, and Uber.

While some organizations are able to adapt successfully, many others are facing the pressure of closure because they cannot adapt to the changing or rapidly changing scenarios. In this context, employees and potential job applicants are experiencing significant stress, job loss, and challenges related to employee retention. Many experts are predicting that a large chunk of current occupations may disappear within a few years, and this fear has become more pronounced with the rapid adoption of artificial intelligence in diverse contexts. Many of these issues are arising in the workplace context.

A lot of volatile, uncertain, complex, and ambiguous situations are emerging for individuals. As a result, both individuals and organizations are seeking evidence-based approaches to build resilience, enhance creativity and innovation, promote well-being, and gain a competitive advantage. Organizations are also trying to manage these complexities and uncertainties that are impacting employees and to understand how they can promote resilience, creativity, and innovation. Promoting employee well-being while gaining competitive advantage is essential because situations are changing very rapidly and are highly complex. In this context, a growing number of organizations are turning to concepts and theories of positive psychology that are connected to specific applied areas of positive psychology in organizational contexts, such as positive organizational scholarship and positive organizational behavior. We will discuss these in this lecture, focusing on positive practices, attributes, and behaviors in organizations.

Positive organizational scholarship and related fields use evidence-based interventions to promote performance and well-being. These concepts and theories, which are related to positive psychology, are very appropriate in these complex, rapidly changing scenarios where employees' well-being can be supported using these approaches. Therefore, positive psychology has gained significant attention recently, and its relevance to the workplace has been increasingly recognized, especially given the present scenario. Some of the key areas where positive psychology has been used, or where its interventions are being applied, relate to how people use these interventions.

Key areas in this direction include positive organizational behavior. We will talk about what that is and how it is applied in organizations. Another concept is called positive organizational scholarship. We will look into these concepts. The third concept we will examine here is psychological capital.

So, we will explore these three concepts in today's lecture and try to understand how they are related to positive psychology and how they are applied in the organizational context. Let us start with the concept of positive organizational behavior. This is directly related to a branch of positive psychology. It is a kind of sub-branch within positive psychology that focuses on the applications of positive psychological resources—such as hope, optimism, resilience, self-efficacy, and so on—to improve individual and workplace performance. Positive organizational behavior emphasizes measurable, state-like qualities that can be developed and enhanced. So that part is always there in the background. In the workplace, where success is generally connected to higher and higher performance, positive organizational behavior tries to address

this issue by studying what goes right for the organization by focusing on positive states, traits, and processes. It aims to enhance organizational performance by identifying the right things to do within the organization to promote performance, such as focusing on the positive traits of individuals and the processes within the organization. For example, it involves identifying the human strengths of employees—whatever those strengths may be—and using them to the maximum extent possible, promoting resilience and restoration, fostering vitality, and cultivating extraordinary individuals, and so on. The focus is on developing strengths and positive qualities so that the overall performance of the organization also improves.

When we talk about positive organizational behavior, it focuses on specific criteria regarding what kinds of concepts it will study. It depends on certain criteria; it does not include just anything that is positive. Some of these criteria are listed here. The first is that the capacities and resources studied within positive organizational behavior must be positive and must have an extensive theoretical and research foundation, with valid measures based on research in the field of positive psychology. They should have proper theories, research-based evidence, and be measurable. Only then can they be included under positive organizational behavior. Additionally, the qualities must be state-like, which makes them open to development and manageable for performance improvement. The state should be state-like; it should be changeable. If something is only genetically determined, for example, not much can be done about it because it represents a very fixed kind of trait. But when we talk about state-like qualities, these are characteristics that can be changed with practice. There is value only in studying state-like qualities because if there are problems—for example, if a person has a low score in something like resilience—we should be able to improve it. Only then does it make sense to study them; otherwise, there is no meaning. So, positive organizational behavior studies state-like phenomena or concepts so that it is possible to develop and enhance them. Finally, the positive states that meet the POB definition criteria are primarily researched, measured, developed, and managed at the individual, micro level.

When we talk about positive organizational behavior, the main focus is on individuals because employees ultimately contribute to all organizational outcomes. Therefore, the emphasis is at the micro and individual levels. Much research has shown that positive organizational behavior contributes to many organizational outcomes. Some examples include concepts such as hope, optimism, and resilience, which have been found to be associated with higher job satisfaction, work happiness, and organizational commitment.

These are some of the constructs studied under positive organizational behavior, such as hope, optimism, and resilience. We have already discussed these concepts individually in earlier modules, so we will not revisit their definitions here. In this lecture, we will focus only on their applications. These concepts, which originate from positive psychology, have been found to provide significant advantages in workplace settings.

If we use interventions to promote them, it leads to higher job satisfaction, work happiness, and organizational commitment, which means employees will be more committed and so on. So, there are many direct and indirect benefits. Positive employee characteristics such as optimism, kindness, humor, and generosity are also expected to relate to higher levels of job performance and so on. We will also look into many of these aspects later on. Thus, many

performance-related and emotional well-being–related aspects are also addressed by these concepts that come from positive psychology.

Another concept related to positive psychology, studied in the context of organizations, is called positive organizational scholarship. The earlier concept was positive organizational behavior, where the focus was mostly at the individual level, specifically on how to promote well-being and enhance functioning and performance. That was positive organizational behavior. Now, this is another concept—there are some overlaps, but there are also differences. Positive organizational scholarship, also called POS.

Now let us see what this concept is: positive organizational behavior and positive organizational scholarship. These are two related but distinct approaches within the field of organizational studies, and both have some connection with positive psychology. Positive organizational behavior is directly derived from positive psychology. Positive organizational scholarship also has many connections to positive psychology.

Positive organizational scholarship takes a broader perspective compared to positive organizational behavior. The perspective is broader here. It studies positive dynamics and outcomes within the organization and focuses on the dynamics of the organization, not just individuals. It examines different branches and factors within the organization and how they are related—the overall dynamics. Examples include thriving, flourishing, virtuous practices in the organization, what kinds of practices are followed, and so on.

So, many of these broader policy-level aspects are also examined. POS, or positive organizational scholarship, looks at how organizations enable positive change, foster excellence, and create extraordinary performance. Again, the focus here is on improving performance, but the emphasis is not only on individuals. The focus is on understanding broader perspectives—the dynamics within organizations, what kinds of positive changes can be made, and so on.

So, the perspective is much broader here. Positive organizational scholarship is simply defined as the study of what is positive, flourishing, and life-giving in organizations. Its focus is on whatever promotes organizational performance, which is generally studied under this approach. The term was introduced by Cameron and some of his colleagues as a way to recognize those elements in organizations that optimize performance.

So, the focus is on performance enhancement. They identified the factors that should be emphasized in an organization to enhance its performance. It is not limited to individuals; other organizational factors are also considered. The term *positive organizational scholarship* itself is composed of three parts: positive, organizational, and scholarship. Let us see what each of these includes. The criteria for inclusion under positive organizational scholarship are based on the term itself, just as we discussed the criteria for positive organizational behavior. Let us now see the criteria for what is included under “positive.”

It focuses on elevating positive processes and outcomes in the organization—whatever processes can be made positive, whatever outcomes can be enhanced or elevated, and so on. The emphasis is on these aspects so that overall performance improves. When we talk about

organizations, the focus is on the organization as a whole, the interpersonal and structural dynamics, and the context in which positive phenomena occur. Here, the focus is not only on individual employees. The focus is on the organization itself: the structural dynamics, how different branches and aspects of the organization interact with each other, how they influence performance, and so on. Context is also given importance.

The last part is *scholarship*, which means that the study must be a scientifically and theoretically derived, rigorous investigation of positive aspects in the organization. It is not just about talking theoretically about positive organizations; it must be based on scientific theories derived from various disciplines, including positive psychological concepts.

These are the aspects that are emphasized in positive organizational scholarship. A table is often used to show how the two concepts differ:

One is positive organizational behavior, and the other is positive organizational scholarship. As mentioned earlier, the focus of positive organizational behavior is mostly on individual-level constructs, such as how to promote hope, resilience, and self-efficacy in individuals. The emphasis is on employees and individuals. In contrast, the focus in positive organizational scholarship is on organizational-level dynamics—such as the culture of the organization, the processes, and the systems involved. Thus, the overall organizational focus is emphasized in POS, or positive organizational scholarship.

So in POB, the focus is narrow, concentrating on actionable and measurable traits of individuals. In POS, the focus is broad, encompassing structures, cultures, and systems. POB is mostly grounded in positive psychology, with an emphasis on the practical applications of positive psychological principles. However, POS has a multidisciplinary approach. It integrates theories from sociology, organizational theory, psychology, and so on.

So, it is more multidisciplinary because it focuses on many aspects. For example, POB is integrated into the organization by training employees to enhance resilience and optimism. On the other hand, POS examines broader issues, such as how a gratitude-based culture impacts organizational success. How can we change the entire culture of the organization? If interventions are developed to change cultural dynamics, they are more suitable for POS than for POB. These are some of the major differences between the two terms.

The third concept relevant in the context of positive psychology and organizations is called psychological capital, which is briefly referred to as PSICAP. Psychological capital is a concept that falls under the broader umbrella of capital structures. We have many types of capital that we talk about, and psychological capital is one of them. What are those capitals? For example, we have economic capital, human capital, social capital, and psychological capital. These are all different capitals or resources that we use in our lives.

So, first, what is economic capital? Economic capital is about what you have—the things and resources you possess in your life. Typically, these are tangible resources like finances and tangible assets, such as your income, land, house, and other physical assets. All of these fall under economic capital. Another capital that we all have is human capital.

Human capital is about what you know. It is knowledge-based capital. This includes your job experiences, education level, skills, knowledge, and ideas. These are all forms of human capital—concepts that come under this category.

Then comes social capital. Social capital is about whom you know—your network and support system. It includes your relationships, contact networks, friend circle, and so on. These are also your resources because they are the people who can help you in different crisis situations and provide various forms of support. This is your social capital. The last one is psychological capital.

Psychological capital refers to who you are as a person—your internal resources. This may include things like your confidence level, hope, optimism, resilience, and your inner psychological capacities to deal with situations, along with anything else that can be added to those situations. This is what we call psychological capital. So, among the many types of capital we have, psychological capital is one such capital. It is called psychological because it primarily consists of your inner capacities or resources that help you perform and manage life problems.

So, psychological capital basically emphasizes state-like qualities. These qualities can change over time. Sometimes you may feel very hopeful; at other times you may feel hopeless, and so on. So these qualities keep changing, which is why they are called state-like qualities—meaning they are modifiable and can be developed over time through training and intervention.

These qualities can be developed. People are not born with them; they learn these qualities, and they can also be enhanced through interventions. Psychological capital falls under positive organizational behavior—the broad approach we discussed earlier.

Within that broad framework, psychological capital is one such concept, so it comes broadly under positive organizational behavior. Positive organizational behavior encompasses psychological capital, but it also includes other positive constructs. So positive organizational behavior is broader, and psychological capital is one component within it.

Now, when we talk about psychological capital, it functions as an umbrella term. Under it, four qualities are discussed. Psychological capital refers to an individual's positive psychological state, and this state emerges from four core components. These components are hope, efficacy, resilience, and optimism. We have already discussed concepts like hope and the others in detail in earlier modules.

So, I will not go into the details of these concepts because most of them—except probably efficacy, which we will discuss briefly here—have already been covered in detail earlier, including their concepts, theories, applications, and so on. These concepts exist individually, but when we talk about psychological capital, it is a combination of these four. Collectively, they contribute to what is called a positive psychological state.

When we talk about hope, it refers to the ability to set goals, identify pathways, and sustain motivation. It is about setting and reaching future goals. Efficacy refers to the confidence in one's ability to successfully take on challenging tasks—how confident you feel about being able to do something. Resilience is about your capacity to bounce back from adversity. When

something goes wrong in your life, how quickly you are able to return to normal functioning defines your resilience. Optimism involves positive expectations about achieving success now and in the future. If you are optimistic, you are generally more positive about potential outcomes.

So, this is what psychological capital encompasses: confidence (which means self-efficacy), positive expectations (such as optimism), perseverance and adaptability (which are related to hope and resilience), and the ability to bounce back in the face of adversity. These four qualities collectively form psychological capital. Luthans and colleagues argue that hope, self-efficacy, optimism, and resilience contribute more effectively to learning and performance when they are combined; when more of these qualities are present together, the outcomes are much better compared to when only one of these qualities is present.

So, you may have self-efficacy, but if you are not hopeful or optimistic, then the outcomes will be lower. The impact on your performance will be less. Psychological capital is therefore considered a higher-order concept; it is a higher-order construct under which four lower-order concepts are combined. When we talk about a higher-order concept, we mean a broader concept that sits at the top. So, PsyCap is a higher-order concept, and under it are the four components—efficacy, optimism, hope, and resilience.

Resilience, along with all these other concepts, can be collectively understood under this broader idea. Psychological capital is a multidimensional concept, meaning the whole is greater than the sum of its parts. Individually, each component may have a positive impact, but the impact may not be as strong. However, when they collectively come together—or when at least two of them come together—the impact is much greater.

By combining these four facets, psychological capital leverages synergistic motivational and cognitive processes. It includes both motivational and cognitive components and therefore has a broader impact on us. For example, when people are optimistic and have self-efficacy—when even these two are present together—their impact is higher than either of them alone.

Optimism is present, and self-efficacy is also present. When both are there, the impact is much greater. A combination of optimism and self-efficacy is more powerful than either construct alone because there are now two positive concepts rather than one. Preliminary research shows that psychological capital enhances work attitudes and adds value to both human and social capital, and so on. There are many research findings that show the positive impact of psychological capital. Some of these outcomes are listed briefly here. I will talk about them briefly—what the different research evidences show. For example, psychological capital has been found to be strongly and positively connected to organizational commitment. Studies highlight that high psychological capital strengthens employees' commitment to their tasks as well as their commitment to the organization. Optimism and self-efficacy foster a forward-looking perspective and confidence to face workplace challenges, and so on.

Another important outcome is job satisfaction. Psychological capital enhances job satisfaction by promoting positive emotions and reducing disengagement from the workplace. Employees with high psychological capital tend to be more engaged, more satisfied, and have a lower intention to quit, and so on.

So, some of these inner psychological states actually determine how you work, the extent to which you are engaged, the extent to which you are motivated, and so on. Some workplace behaviors are also connected to psychological capital. These findings come from research. Positive psychological capital is linked to constructive workplace behavior. Some studies have found that psychological capital correlates negatively with undesirable behaviors such as deviance, and so on.

At the team level, high psychological capital increases positive organizational behavior, as suggested by different researchers. Psychological capital also influences motivation and emotional positivity; it encourages employees to exhibit higher levels of motivation and resilience, resulting in improved organizational behavior and job satisfaction. Performance is also influenced. Various studies consistently indicate a positive relationship between psychological capital and job performance, with different indicators showing greater efficacy and effectiveness in employees' roles, and so on. These are some of the factors supported by research evidence. Promoting psychological capital indirectly enhances organizational performance, employee well-being, satisfaction, and so on.

Now, let us look into some of the evidence for each of the resources that fall under psychological capital. Since we have already discussed psychological capital collectively as a resource, we will now look at each of the individual resources related to psychological capital. We will examine some of the evidence for them.

The concept of self-efficacy comes from Bandura's social cognitive theory. When we talk about self-efficacy in the context of the workplace, it is defined as an individual's confidence in their ability to utilize motivation, cognitive resources, and strategies to effectively execute a task. It is about your confidence regarding the extent to which you believe you will be able to do something.

It may not always be directly connected to your skills. Many people have strong skills but lack confidence, and because of this lack of confidence, they are unable to perform well. So, self-efficacy is not necessarily tied to skill alone; it is about one's belief in their ability to perform tasks.

This confidence is based on one's own evaluation of their skills, the situation, and other related factors. Among positive organizational behavior concepts, self-efficacy is very important and is one of the best fits due to its robust theoretical foundation and strong empirical support. A large body of research is available on self-efficacy and its impact. In this sense, it has a solid foundation of theories and research.

This is again a state-like quality. It can keep changing. Sometimes your self-efficacy is very high; sometimes certain things may go wrong, and your efficacy may decrease, and so on. So, it can develop over time, and it is very domain-specific. You cannot have confidence in everything in your life. Someone may be highly confident in their workplace but may not be confident in other functional areas, and so on.

So, it is very domain-specific, and workplaces are also domain-specific, which makes self-efficacy highly relevant in this context. Research shows that self-efficacy has many

connections with performance-related indicators in the workplace. For example, self-efficacy positively correlates with numerous performance dimensions, such as work attitude, leadership effectiveness, ethical decision-making, creativity, and career development. These all show positive correlations.

Its relationship with entrepreneurship and learning outcomes also demonstrates its wide-ranging applicability. Many meta-analyses also provide evidence that self-efficacy significantly predicts work-related outcomes. So, there is extensive evidence regarding its positive impact on workplace-related constructs.

Conversely, individuals with lower self-efficacy are generally found to be more reactive and prone to setbacks, losing confidence when faced with challenges, and so on. Such individuals often find it difficult to deal with problems, especially when challenges arise in the workplace.

Now, how can one develop or nurture self-efficacy? Bandura, in his theory, has already discussed how it can be mastered and how it can be enhanced.

So, what are the sources of self-efficacy? Where does this confidence come from in people? What are its sources? There are typically three or four sources, and we will discuss some of them here. One concept of efficacy comes from mastery experiences in our lives. Your past experiences—your experiences with the work you are doing—build your confidence. Successes in the past, whether through successful attempts or direct task engagement, help build confidence, especially when tasks gradually increase in difficulty and you learn them over time. Slowly, your confidence increases.

So, what were your past experiences? Did you experience more successes compared to failures? If you experience more failures, your confidence will naturally be lower. Therefore, your past experiences, or mastery experiences, are very important.

Especially when you gradually move ahead in terms of the difficulty of tasks, your self-efficacy increases rather than stagnates. On-the-job training also affects mastery experiences. If you receive more skill training and similar experiences, these methods are particularly effective. Supporting people in learning more skills, giving feedback, and similar practices also help increase their self-efficacy.

So this is one source: mastery experiences. They play a major role in enhancing self-efficacy.

The second source is vicarious learning and modeling. By looking at others, people sometimes become confident—thinking, “If that person can do it, I can also do it,” especially when the other person is very similar to them. Observing others’ successes helps individuals build confidence, particularly when the observed tasks and role models are relevant and relatable. The role model should not be extremely different or from a completely different background.

Obviously, if the role model comes from a very different background, you may think that they succeeded because their circumstances were different. But when you see people who are similar to you achieving success, that also builds confidence. In the workplace, when similar colleagues are doing well, observing them can strengthen your sense of self-efficacy. By watching others or modeling their behavior, many individuals develop this belief in their own

abilities. Mentorship and coaching also provide examples of successful behavior and can influence a person's confidence.

Social persuasion also sometimes increases self-efficacy, depending on the kind of feedback you receive from others. When you are performing a task, you may fail or succeed—and how other people respond to that plays an important role. For instance, receiving positive encouragement, support, and feedback from others when you do well boosts your confidence and reinforces the belief that you are moving in the right direction. Even when you fail, if others encourage you by saying that you can do better next time, you also gain confidence. This is what we call social persuasion—how others influence your belief in yourself. This can be implemented in different workplace scenarios to ultimately enhance self-efficacy.

Now we will talk about the concept of hope and optimism, which we have already discussed in earlier modules. We have covered their concepts and interventions in detail. Here, I will briefly touch upon them in the context of the workplace.

The next resource within psychological capital is hope. Hope is primarily a positive motivational state and consists of two main components. The first is agency, or *willpower*, which refers to goal-directed energy—the sense of determination and intrinsic motivation to accomplish goals. It is about how determined you are to achieve your goal. If you are hopeful, your agency is usually high, meaning you are more determined and motivated to work toward your goal.

The second component is pathways, or *waypower*. This is not just about setting a goal and thinking you will achieve it. It involves having a proper plan for reaching that goal. Hope requires planning—knowing the different routes you can take to achieve your objective. If you have a solid plan and alternative strategies (like plan A and plan B), you become much more hopeful. The ability to create and adapt different strategies to overcome obstacles is a key part of hope.

So, hope consists of these two elements: agency and pathways. Unlike self-efficacy, which focuses only on confidence in task-specific execution, hope emphasizes the motivational and strategic mechanisms that drive goal achievement.

Hope is about achieving goals. Efficacy is more about a specific task—whether you are confident in performing that task, and so on. Research evidence on hope in the workplace shows several important outcomes.

Some workplace outcomes associated with higher levels of hope include employee performance and work attitude. Most of these findings are similar across the positive constructs we have discussed. Higher levels of hope correlate with improved performance, greater job satisfaction, and increased profitability. I am highlighting these basic findings to show why these constructs are studied in workplace contexts—because evidence clearly shows many positive outcomes associated with them.

Entrepreneurial satisfaction is another area where hope plays an important role. Entrepreneurs with greater hope report higher satisfaction and greater commitment to business ownership.

Leadership and organizational success are also linked to hope. Leaders who have higher levels of hope tend to drive unit profitability, employee satisfaction, and employee retention.

Even in cross-cultural contexts, hope has been linked to improved performance. For example, Chinese factory workers with higher levels of hope demonstrated better supervisor-rated performance and earned more merit-based salaries.

These are different research findings. So how can you develop and nurture hope? We have already discussed many general interventions, but a critical aspect of hope is its state-like nature, which means it can be changed and increased. One idea is goal setting. Hope is connected to goal setting—how you set goals and what kinds of goals you set. This is very important and directly related to hope. Therefore, goal-setting training becomes useful.

It is important to understand that you cannot become hopeful simply by setting any type of goal. The *type* of goal matters. People can be taught goal-setting strategies, such as:

- Stretch goal setting – setting challenging but attainable goals, which promotes hope.
- Stepping – achieving graduated mastery through incremental steps, which enhances pathway thinking.
- Re-goaling – adjusting goals to avoid false hope. People may become hopeful but may develop false hope if their goals are unrealistic. Re-goaling helps ensure that goals remain achievable, incremental, and aligned with circumstances.

Thus, goal setting plays a very important role, and the type of goal you set and the strategies you apply are directly connected to your level of hope.

Creating organizational cultures that encourage participation, creativity, contingency planning, and innovative thinking can further enhance hope—particularly pathway thinking. If an organization has a supportive culture with employee participation, freedom for creativity, and systems for contingency planning, employees can more easily identify pathways to reach their goals.

There will be many better options—many more options will be available. This also enhances hope because pathways are one of the key aspects of hope. Do you have a pathway to reach your goal? Do you have strategies to achieve that goal? The more pathways we have, the more hopeful people become. These are some broad ideas; more specific interventions have already been discussed in earlier modules.

Hope is also connected to resources, because whether you will be able to reach your goals depends on the resources available. Does the organization provide proper financial support, authority, empowerment, information, communication channels, and trust? If all these are present, hope will be greater. So, resources are very important. If they are absent, hope will also be influenced accordingly.

The third component is optimism. This was also discussed in a full module earlier. Optimism is generally defined as a tendency to believe that good rather than bad things will happen. It reflects a belief that positive outcomes are more likely in the future. Some people are naturally

more optimistic; most of the time, they have a positive tendency to believe that good things will happen. People may differ in this, and optimism may also change depending on the situation.

Optimists have a generalized sense of confidence—an overall belief about the future characterized by a broad expectation that outcomes will be good.

So, that is optimism. A pessimist is just the opposite—they anticipate negative outcomes. When you think that negative things are going to happen, you are being pessimistic. Optimism has been conceptualized as both dispositional and learned optimism. Some people naturally have a trait-like form of optimism.

Most of the time, these individuals will be optimistic, while others may be pessimistic. So, for some people, it is a very stable characteristic. The other aspect of optimism is called learned optimism, where people learn to become optimistic by changing their thought processes, reframing situations, and so on. So optimism can be dispositional or trait-like, or it can be learned.

Dispositional optimism is very stable—almost like a fixed characteristic. In workplace contexts, people are more interested in learned optimism, because if it can be learned, then it can be taught, developed, and enhanced. Unlike dispositional optimism, which is trait-like and stable, learned optimism is an acquired skill. We learn to be optimistic, which means people can be trained to become more optimistic.

Learned optimism is a concept closely related to Seligman's positive psychology movement, particularly his work on attributional style and explanatory style.

So, I'll just briefly touch upon that. People have different ways of explaining situations. Some people have a pessimistic style, and some people have an optimistic style, and these lead to optimism and pessimism as outcomes. Explanatory style refers to how you explain a situation—your tendency or habitual way of interpreting events. Some people consistently explain things in a negative way, while others explain them more positively.

So, there are two explanatory styles: a pessimistic style and an optimistic style.

When we talk about the pessimistic explanatory style, we are referring to people who generally attribute negative events to internal personal factors. They believe the cause of negative events lies within themselves—such as their abilities, personality, or inherent flaws. So, whenever something goes wrong, they tend to find faults within themselves. This may not always be bad, but the problem arises when they continue to blame themselves even when the cause lies outside. This leads to stronger negative emotional reactions.

So, when negative things happen, such individuals generally attribute them to themselves rather than to external factors.

The second element is stability. They view negative events as enduring and stable. They believe that if something bad has happened, it will last for a very long time or keep happening to them. They interpret negative events as permanent rather than temporary.

The third is globality. They use global explanations, meaning they believe that negative events affect all areas of life. They think negative outcomes are global factors rather than specific to one situation.

That means if you experience failure in one area, you may think you are going to fail in many other things. This is called the *global* aspect. So, a pessimistic explanatory style has these characteristics, where individuals tend to explain negative events using internal, stable, and global factors. When something goes wrong, they think it is going to last forever, that they cannot change it, and that it is going to influence everything they do. They believe other things will also turn out similarly. This type of explanation is known as a pessimistic explanatory style, and it is generally characteristic of pessimistic individuals.

Optimistic people show the opposite pattern. When something goes wrong, they typically look for external reasons—something in the external situation that contributed to the outcome. They do not assume they are directly responsible for everything. They also view negative events as unstable, meaning temporary—they believe things will change the next time. And they use specific explanations. For example, they may think, “I failed at this task, but it does not affect other things I do. I will be successful in other areas.” They see it as just one situation rather than something that defines their entire life.

These are the typical characteristics of an optimistic explanatory style, which may lead people to be more optimistic or pessimistic overall.

So again, just to give you a few examples of how this is related to some outcomes in organizations: optimism has been linked to physical and psychological health, well-being and recovery, and enhanced performance in life domains such as academics, sales, and leadership. Pessimism is correlated with many emotional problems such as depression, physical illness, and other negative outcomes. These are some general findings. In the workplace, optimism has been shown to positively impact performance across various domains, including sales, leadership, insurance, and so on.

These are some of the general findings. When we talk about optimism, it should not be about being optimistic about everything. One has to be flexible and realistic in their optimism. Realistic optimism is very important because it has a positive emotional impact, but it may not always be effective in every situation.

For example, when contingency planning is required or when something may go wrong, you need to plan accordingly. You cannot rely solely on optimism in such situations. When preventive measures are needed, when there is a possibility that something may go wrong, or when prudence and accountability are necessary, one has to be flexibly optimistic and realistically optimistic.

Optimism is good, but when there is strong evidence that something might go wrong, one has to be careful. In such cases, you cannot be blindly optimistic. This is the idea of flexible optimism. In such scenarios, flexible optimism is essential to balance positive expectations with accountability and awareness of challenges. We should recognize that while optimism is beneficial, challenges can arise, and one must be prepared for them.

So, optimism has been one of the key constructs studied in positive organizational behavior.

And it is generally viewed as having a state-like quality and being open to change and development. Pessimism generally comes from distorted thinking. People often develop a negative thinking style, which may be due to past experiences or childhood experiences; over time, they develop this pessimistic explanatory style. However, it can be changed through training and teaching. Usually, pessimism comes from distortions in realistic thinking. For instance, an individual who sets unrealistic goals can learn effective goal-setting strategies to foster optimism.

So, pessimism can be addressed by challenging destructive assumptions and replacing them with positive, realistic beliefs. There are ways to do this, and many psychological therapies are designed for it. Many of these specific interventions have already been discussed in Module 3.

The last construct is resilience. Again, we have discussed this in detail earlier. Resilience is especially important in the workplace because many setbacks and failures occur in organizational contexts. This quality helps individuals deal with difficulties, adapt to challenges, and cope with the problems of life and work. Resilience refers to the capacity to bounce back when something goes wrong in one's life. It is a concept that becomes relevant only when challenges or adversities occur.

It is not generally applicable in other contexts. Unlike traditional views that consider resilience an extraordinary trait found only in exceptional individuals, this is not true.

Every individual can experience resilience. It is an ordinary capacity. Everybody can show resilience—it is not limited to extraordinary individuals. It is a learnable skill and can be developed in ordinary people as well. It can also be measured and understood because it is a state-like quality. I will not go into the detailed concept of resilience here, but generally, research shows that resilient individuals have certain characteristics. For example, when something goes wrong:

One thing to understand is that acceptance of reality is the first necessary step. Only when you accept reality can you make a change. If you keep resisting, you will not be able to do anything. So, acceptance of reality—along with strong, meaningful values and beliefs—helps guide you forward.

Then comes the adaptive mechanism: the ability to improvise and be flexible in unexpected situations. The ability to cope and adapt, along with mental flexibility, is essential. When you can adjust according to the situation, you become more resilient. There are many other aspects that we already discussed in earlier modules.

Resilience has mostly been studied in clinical psychology, because individuals with psychological disorders often show low levels of resilience. In the organizational context, this is a relatively recent area of interest, but it is now recognized as important because it influences performance to a large extent.

So, how can you build resilience? Masten outlined three strategies through which resilience can be developed or trained:

Asset-focused strategies, which involve enhancing personal and situational assets such as knowledge, skills, abilities, personality traits, and social support. So, resilience comes from the assets that we all possess. People have a variety of assets that help them cope with difficult situations. One strategy for enhancing resilience is focusing on building assets. These assets can be tangible, psychological, or social. Building skills, abilities, personal characteristics, and a strong social support system will all enhance resilience.

If you have more assets, you are more likely to be resilient in the face of problems. This is one approach used to build resilience.

The second strategy is risk-focused strategies, which aim to reduce or eliminate risk factors such as stress, conflict, job insecurity, ineffective leadership, poor group dynamics, and so on. This is more of a proactive approach—by reducing the risks present in the organization, future problems can be minimized. Fewer risks mean fewer stressors, which ultimately contributes to greater resilience when challenges occur. So one strategy is to minimize risks.

Another is the asset-focused strategy—maximizing assets.

The third approach is process-focused strategies. This involves combining the dynamics of both risks and assets. It emphasizes the adaptive use of assets to overcome risks. No matter how much you minimize risk, some degree of risk will always remain in any organization. The question is: how do you use your assets to address these risks?

For example, if an employee is in a situation where there is a possibility of layoffs—meaning their job may be affected—this is a risk. Employees can become more resilient by using their assets. They may use their social network to find alternative job opportunities; this is a resource that helps them cope with the situation. Or they may use their skills and abilities to make themselves less likely to be laid off.

They can use all their skills and assets to show that they are capable and useful in an organization. This is called *process-focused strategy*—using your assets to deal with risks. These are the ways through which resilience can be built in both organizational and individual contexts.

In the context of positive organizational behavior, resilience is not viewed only as the ability to deal with problems. It is also about growing, learning, and flourishing. The concept is used broadly in this context. One proactive dimension is especially important: resilience is not just about reacting when something goes wrong, but about preparing individuals beforehand so that they can create opportunities to grow even in the absence of external threats. This is also true for organizations—they proactively try to build strength before problems occur.

So, resilience has this proactive dimension in organizational contexts as well. It has great relevance in the workplace, especially in today's competitive environment. Simply recovering from a setback is not enough; one has to proactively bounce back and move beyond it. In that sense, resilience is viewed as a positive construct that directly influences performance and functioning at both the individual and organizational levels. Therefore, it has a lot of relevance for long-term outcomes and is open to many targeted interventions.

These are some of the positive psychological resources considered under psychological capital. Each of them individually is very beneficial, but when two, three, or all four combine, the impact is much higher.

These are some of the basic concepts related to positive psychology that can be applied in the organizational context. In the next class, we will talk about other dimensions of positive psychology that can be applied in the workplace. With this, I stop here. Thank you.