sciendo

Harold Andrew Patrick

https://orcid.org/0000-0003-3295-5816

Faculty of Management Studies
CMS Business School Jain
(Deemed-to-be University)
Bengaluru, India
harold.patrick@jainuniversity.ac.in

Nepoleon Prabakaran

https://orcid.org/0000-0003-3398-5136

Faculty of Management Studies
CMS Business School Jain
(Deemed-to-be University)
Bengaluru, India
nepoleonbonoparte@gmail.com

Dharnish Praveenraj Elanchezian

https://orcid.org/0009-0009-8167-0068

Department of Language Studies
Government Thirumagal Mills College
Thiruvalluvar University, Vellore, India
dharnishpraveen2587@gmail.com

The role of positive leadership and psychological capital on influencing trust and flourishing: Insights from two studies

Abstract

Aim/purpose – The article aims to explore the impact of positive leadership on trust and flourishing, examine the relationship between psychological capital and flourishing, and identify the role played by psychological empowerment in this relationship.

Design/methodology/approach – Employing a two-study approach, the research utilized judgmental sampling across service sectors in India. The first study focused on software professionals, with 983 respondents from information technology organizations. The second study investigated employees in the banking, retail, and e-commerce sectors, involving 722 participants. Validated scales were used to measure constructs across these service sector contexts.

Findings – The results revealed significant insights into organizational dynamics. Positive leadership was found to substantially influence workplace trust and employee flourishing. Psychological capital demonstrated a critical mediating effect between leadership

practices and employee well-being. Furthermore, psychological empowerment emerged as a key mechanism explaining how psychological capital translates into enhanced employee flourishing.

Research implications/limitations – The study proves positive leadership strategies can enhance software professionals' well-being and organizational trust. However, the findings are limited to India's specific service sectors and geographical context, suggesting the need for cross-cultural and cross-sector validation.

Originality/value/contribution – This research contributes novel insights into the psychological mechanisms driving sustainable organizational development. By integrating positive leadership, psychological capital, and empowerment, the study offers a comprehensive framework for understanding how psychological resources influence employee flourishing, a perspective underexplored in previous literature.

Keywords: flourishing; hope, optimism, self-efficacy, resilience, two studies approach positive leadership, sustainability, trust in workplace, psychological empowerment.

JEL Classification: M1, I3, D2, C9.

1. Introduction

The concept of sustainable development has consistently held a significant role in guiding worldwide efforts, encompassing philosophical contemplations such as "harmonious coexistence between humanity and nature" and the imperative of environmental preservation within the backdrop of industrial civilization (Piwowar-Sulej et al., 2021). Sustainable development constitutes a complex and ever-evolving framework (Dos Santos & Ahmad, 2020). Its objectives encompass more than just addressing climate change and environmental deterioration, including issues like air, water, and soil pollution, overfishing, and species extinction. Moreover, it extends to health and well-being, reducing inequality and poverty. The strong interconnection between organizations and the socio-economic aspects of sustainable development leads some scholars to propose that achieving this objective hinges on enterprises wholeheartedly embracing the challenges it presents (Tideman et al., 2013). In response to the challenge of enhancing sustainability in organizations, researchers are diligently pursuing resolutions (Gerard et al., 2017). Researchers have identified that integrating sustainable development principles into leadership practices is pivotal in reshaping the status quo and establishing enduringly sustainable organizations (Dalati et al., 2017; Piwowar-Sulej et al., 2021).

While positive leadership has been recognized as a potential driver for promoting sustainable development in organizations, there is a need for empirical research to examine its specific influence on fostering trust and flourishing with-

in organizational contexts (Dalati et al., 2017; Piwowar-Sulej et al., 2021). The relationship between psychological capital and flourishing, a key aspect of positive psychology and sustainable development, warrants further investigation to understand its underlying mechanisms and implications (Goetz et al., 2024). Furthermore, the role of psychological empowerment as a potential mediator in the relationships between positive leadership, psychological capital, and flourishing needs to be explored (Gerard et al., 2017).

In an era of unprecedented global challenges, organizations are increasingly recognized as pivotal agents of sustainable transformation (Singha, 2024). However, the current understanding of organizational sustainability remains fragmented, primarily addressing external environmental and economic dimensions (Taraza et al., 2024) while overlooking the crucial human psychological processes that drive meaningful change (Wallis et al., 2021). Despite the growing recognition of the importance of sustainable development, a critical research gap persists in understanding the intricate mechanisms that drive organizational sustainability through psychological processes (Kyrdoda et al., 2024). Existing literature has broadly examined sustainable development from macro-environmental or economic perspectives but has not sufficiently explored the micro-level psychological dynamics that enable organizational transformation (Norton et al., 2023). Within the complex fabric of diverse, sustainable development objectives, the dynamic evolution of organizational landscapes, and the pressing call for businesses to embrace sustainability as a pivotal driver of growth, a set of fundamental research questions emerges

1. To what extent does positive leadership impact trust and flourishing?
2. What relationship do psychological capital and flourishing have?
3. What is the role of psychological empowerment?
   The objectives of this research are to:
1. Examine the influence of positive leadership on trust and flourishing.
2. Understand and test the relationship between psychological capital and flourishing.
3. Identify the role of psychological empowerment in the relationship between psychological capital and flourishing.

This study makes a significant theoretical contribution by integrating positive leadership, psychological capital, and psychological empowerment into a comprehensive model that explains how psychological mechanisms mediate sustainable development at the organizational level. By bridging positive psychology with sustainable development theory, we provide novel insights into how individual psychological resources and leadership practices can catalyze organizational flourishing and trust, thereby expanding the theoretical understanding of sustainable organizational development.

This paper follows a structured layout to address the study's objectives. After the introduction, a literature review elucidates the study's variables and underlying hypotheses. The research methodology section explains the data collection and sampling procedures and the measures' sources. The results section delves into the quantitative outcomes derived from the analysis. The discussion section provides an overview of how the study achieved its objectives.

2. Literature review

2.1. Positive leadership

Positive leadership is a concept in studies of positive leadership theory and practices. It is associated with the theme of the American Psychological Association (APA) convention in 1998, "Prevention: Promoting Strength, Resilience, and Health in Young People" (Fowler et al., 1999, p. 537), which focuses on positive psychology (Seligman & Csikszentmihalyi, 2000). Positive leadership behavior fosters a positive mindset and influences people's values, attitudes, and behaviors, resulting in positivity that affects job involvement, thriving, trust, and empowerment. Positive leadership is different, exciting, and constructive in building individual capabilities via a positive outlook and acknowledgment. As subdimensions of positive leadership, these elements are critical. They are (a) a strength-based strategy, (b) a positive outlook, and (c) encouragement and acknowledgment (Arakawa & Greenberg, 2007).

Positive leaders must concentrate on developing and using individual strengths to enhance effectiveness (Cameron, 2012; Youssef-Morgan & Luthans, 2013). Positive organizations emphasize a strengths-based approach to achieve greater efficiency (Cheong et al., 2019; Stander & Coxen, 2017). Positive leaders using STR positively impact people's happy lives (Cameroon, 2012).

Having a positive perspective is crucial when dealing with the ambiguity of change. It relies on how people use their control knowledge to implement rules. A good leader's viewpoint is about how people see and understand adversity and interact in their workplace (Mak et al., 2011). Positice perspective lowers uncertainty and views the disadvantages as opportunities for growth (Arakawa & Greenberg, 2007; Henry, 2005).

Recognition and encouragement are positive behaviors that increase individual and team performance by increasing self-confidence and self-esteem (O'Keefe et al., 2017). Employee productivity is affected by positive leaders' acts of acknowledgment. It is a tool for persuading personnel (Arakawa & Greenberg, 2007). According to research by Arakawa and Greenberg (2007), the efficiency of employees in-

creased by 31% and production by 3:1. Furthermore, all the employees (98%) reported working effectively, crediting regular encouragement and praise from their leaders for keeping them motivated and engaged (Fischer et al., 2024). Positice leadership's emphasis on a strengths-based strategy, positive outlook, and encouragement enhances individual capabilities and organizational performance and plays a pivotal role in fostering trust, a critical element in the leader-follower relationship that has consistently been a cornerstone of workplace dynamics.

2.2. Trust in the workplace

Trust in the workplace refers to the confidence and willingness of employees to be vulnerable and rely on their colleagues, supervisors, and the organization as a whole (Addison & Teixeira, 2020). Workplace trust has always been critical in the leader-follower relationship and organizational performance. According to Karl (2000), workplace trust is constantly low, and Fana and Villani (2023) found that individuals in non-management jobs (56%) saw a lack of workplace trust as a serious concern (Spector & Jones, 2004). In this study, the authors focus on "workplace trust," defined as the confidence and willingness of employees to be vulnerable and rely on their colleagues, immediate supervisors, and the organization within their work environment (Ferres & Travaglione, 2003). This trust is based on the belief that others will act with integrity, competence, and benevolence, fostering a sense of psychological safety and mutual respect (Victor & Hoole, 2017). While our focus is on workplace trust, it is important to distinguish it from related concepts. "Organizational trust" or "trust in an organization" typically refers to employees' trust in the organization as an entity, focusing on institutional factors like policies and management practices (Mayer et al., 1995).

In contrast, workplace trust encompasses institutional and interpersonal trust among colleagues and supervisors (Ferres & Travaglione, 2003). By fostering trust and collaboration among coworkers, a trusting relationship at work reduces overhead and enhances job engagement (Mohrenweiser, 2021). In both personal and professional situations, trust is essential. People's societal competencies are acquired across various social transactions in maturity, adding to a baseline of professional trust (Cam & Palaz, 2022; Mohrenweiser, 2022). While trust in the workplace, particularly between leaders and followers, is critical in enhancing organizational performance and job engagement, its impact extends beyond mere productivity metrics. Trust fosters a sense of psychological safety and mutual respect, creating an environment conducive to employee flourishing – good mental health characterized by high psychological and social well-being (Diener & Wirtz, 2010).

2.3. Flourishing

Flourishing is a symptom of good mental health. People who have a greater level of psychological and societal well-being thrive. The term "human flourishing" was coined by Aristotle (concept of eudemonia). A person is said to flourish when doing desirable and appealing things (McCormack & Titchen, 2014; Yalden & McCormack, 2010). According to research, flourishing is strongly linked to demonstrative, psychosomatic, and social enjoyment (Diener & Wirtz, 2010; Keyes, 2014). It has developed a beneficial relationship with individual advancements, interpersonal connection, societal maintenance, life resolutions (Byron, 2011), hardship and optimistic impact (Byron, 2011), mindfulness, resilience, self-esteem, positive emotional response (Knight, et al., 2017; Nguyen et al., 2016; Zhu et al., 2019), self-acceptance (Eraslan-Capan, 2016). At the same time, maladaptive characteristics such as loneliness, sadness, self--judgment, and over-identification were found to be adversely related to flourishing (Eraslan-Capan, 2016; Keyes, 2007).

Flourishing includes subjective well-being, righteousness, resilience, nurturing solid points, and progression (Lyubomirsky & Layous, 2013; Zhu et al., 2019). Both psychological and physical well-being are aided by flourishing. Organizational practices encourage and shape thriving, in addition to beneficial relationships with employee health and well-being (Henderson et al., 2013). Individuals have higher positive feelings and psychological and social functioning when they have work-related identities. Regarding employee thriving, work--related and positive identities are important (Dutton et al., 2010). However, organizational procedures develop people and pave the road for them to thrive (Cameron, 2012; Keyes, 2014).

Flourishing is the positive outcome of behaviors shown via ethical activities and interpersonal interactions within a society. Individuals with higher levels of eudaimonia and hedonic behavior have beneficial outcomes that assist them in succeeding at work (Henderson et al., 2013). Employees spend more time at work than with relatives and other institutions. Therefore, organizations influence thriving through organizational practices (Dutton et al., 2010; Kelloway et al., 2013). Flourishing, a positive outcome of ethical activities and nurturing interpersonal relationships, enhances well-being and success at work. Personal resources that enable positive behaviors and thrive in professional environments may be psychological capital rooted in positive psychology (Luthans et al., 2005). Organizations can cultivate psychological capital, including self-efficacy, resilience, hope, and optimism (Bakker, 2008), to foster qualities that contribute to an employee's flourishing.

2.4. Psychological capital

In order to access the primarily untapped areas of personal resources like human greatness, strengths, and thriving, practitioners and Philomath may yet discover psychological capital, a positive, evidence-predicated vital feature (Luthans & Youssef-Morgan, 2017). Psychological capital is a state that may be facilely engendered by utilizing learning and development software (Luthans et al., 2006). Employees may support organizational engagement by cultivating personal characteristics such as optimism, self-efficacy, and resilience, which help with job engagement (Bakker, 2008). Self-efficacy, resilience, hope, and optimism are the four components of psychological capital, defined as a positive psychological condition of a person's growth.

Self-efficacy is essential to having a positive perspective since it is a psychological resource. They are thus believed to play a role in activities that enhance their learning potential and boost their energy, helping them succeed at work. A quantifiable feature present in persons or groups or as a current circumstance portending a favorable future development is known as resilience (Masten & Reed, 2002). The key to hope is developing the required determination and understanding to achieve the desired objective (Luthans & Youssef, 2004). Optimism is the only definition of psychological capital indissolubly tied to positive psychology (Luthans et al., 2005). Psychological capital is a personal resource for work environments. However, it is crucial to translate these resources into tangible influence and autonomy within an organization. Psychological empowerment, a set of procedures, shapes an employee's experience of their work environment. The self-efficacy component of psychological capital aligns with the competence-capability dimension, suggesting a potential synergy (Spreitzer, 1995).

2.5. Psychological empowerment

Conger and Kanungo (1988) shared the psychological viewpoint on empowerment, which governs employees' affirmative results at the workplace and is apportioned into three elements: motivational, structural, and leadership (Menon, 2001). Organizational change has attracted interest in psychological empowerment because of employee creativity and novelty. Further, management always carries out affairs that may or may not endow employees. Psychological empowerment is an array of procedures considering the experience of a sub-dimensional psychosomatic state comprising meaning-connotation, competence-capability, impact-influence, and self-determination-autonomy (Spreitzer, 1995).

2.6. Positive leadership and flourishing

Good leadership is the positive consequence of positive behaviors, such as flourishing. Apart from outcomes like happy sentiments, success, relational flourishing, virtuous behaviors, and vitalizing connections, there are other factors to consider (Cameron, 2012). The positive conduct of an employee's immediate supervisor displays competency, honesty, transparency, stability, risk-taking qualities, and humility. These activities may influence employees to adopt specific behaviors that contribute to thriving. Positive leadership, on the other hand, promotes the well-being of the immediate supervisor and team members. (Adams et al., 2019; Rantika & Yustina, 2017). Managerial actions impact employee happiness and thriving (Kelloway et al., 2013; Kumar & Patrick, 2019), but positive leadership has minimal empirical support to prove it. To summarize, we propose the following hypothesis:

H1: There is a significant influence of positive leadership on flourishing.

2.7. Positive leadership and trust in the workplace

Entrepreneurial and optimistic styles are the foundation of positive leadership. They foster trust among leaders and followers in the workplace. This leads to the observation of fairness and equality. This has a significant impact on the profitability and growth of the company. The degree of job engagement increases when there is a sense of trust in the workplace (Engelbrecht et al., 2017; Islam et al., 2022). Employees are expected to trust their bosses regardless of conditions if they consider them capable and helpful (Burke et al., 2007). According to a study, leaders are the ones who develop workplace trust the most (Creed & Miles, 1996; Fairholm, 1994).

Employee positive outcomes (such as trust, satisfaction, happiness, work engagement, organizational citizenship behavior, performance outcomes, commitment, creativity, and employee success) are strongly linked to the actions of leaders (Cheong et al., 2019; Kelemen et al., 2020). Positive leadership is also influenced by these results, both directly and indirectly. Consequently, employees feel more empowered, and their job performance improves. By recognizing their dedication to the organization's goals, employees will rise to the occasion. A good leader exhibits workplace trust and honesty while upholding perceived organizational fairness. From the above studies, we developed the following hypothesis:

H2: There is a significant influence of positive leadership on trust in the workplace.

2.8. Psychological capital affects flourishing

According to Luthans et al. (2007), employees with superior calibers of optimism, resilience, hope, and self-efficacy are better than those with lower calibers of psychological capital because they are presumably much more intrepid in challenges cognate to the expeditiously transmuting international environmental circumstances faced by organizations today. Paterson et al. (2013) discovered an incidental effect of psychological capital on thriving at work through utilizing two mediators: sensible relating and task vigilance. According to positive psychology literature, psychological capital and thriving at work have been linked in several additional research. The study by Rozkwitalska and Basinska (2016) found that workers' personal and organizational resources can help them thrive at work. Psychological capital, according to this empirical research based on personal resources, promotes increased cheerfulness, which allows employees to "thrive at work" (Paterson et al., 2013; Rozkwitalska & Basinska, 2016). Predicated on prior studies, we know that psychological skills affect occupational prosperity; thus, we construct Hypothesis 3:

H3: There is a significant influence of psychological capital on flourishing.

2.9. Role of psychological empowerment

Psychological empowerment has been studied for many years in the literature of organizational psychology (Spreitzer, 1995). Conger and Kanungo (1988) added a psychological viewpoint to empowerment, determining an employee's favorable workplace result. Empowerment is one of the most significant organizational factors that satisfy the psychological needs of the employees in the workplace, thereby achieving organizational goals through personal and organizational effectiveness (Quinn & Spreitzer, 1997). Self-determination is the extent of freedom or autonomy an employee expects and receives while working in the organization. The concept of self-determining is experiencing a sense of choice in work-related behavior. This is possible only through a supporting work environment that gives the employees the necessary autonomy, which enhances the individual employee's interest in work (Dewettinck & van Ameijde, 2011). The self-determination theory is the cornerstone of thriving at work and psychological Empowerment. It concerns human motivation levels, character improvement, and ideal performance. It states a person's innate psychological requirements (e.g., competence, relatedness, and autonomy) and natural development inclinations. From self-determination theory, we can understand that psychological empowerment and flourishing connect, so from our entire literature review, we can hypothesize that psychological empowerment has a mediation effect on psychological capital and flourishing:

H4: Psychological empowerment mediates the relationship between psychological capital and flourishing.

Figure 1 below depicts the above four hypotheses, indicating the conceptual model and the relationship between the variables in this study. The conceptual model highlights a dynamic interplay where both leadership behaviors and individual psychological resources are critical to promoting trust and flourishing in the workplace.

Figure 1. Conceptual model of the study
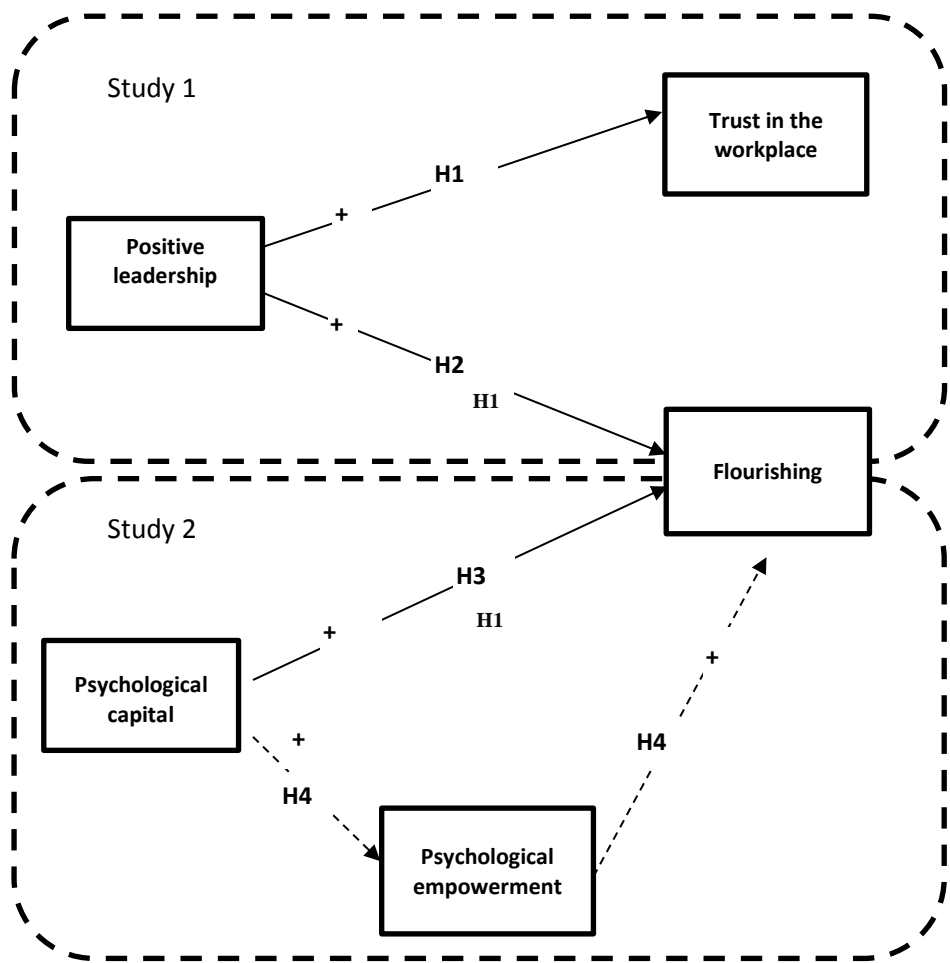
Notes: Dotted line indicates mediation relationship.

3. Research methodology

3.1. Sample and procedures

The study collected data from the employees of selected service industries (Information Technology, education, health, finance, and telecommunication) across three regions of India (Bengaluru, Chennai, and Kolkata). The research gathered data from various industries using multiple sources in response to the invitation by Kao et al. (2015) for empirical investigations into ethical leadership behaviors and their impact on employee conduct across diverse sectors.

The selection of service industries (Information Technology, education, health, finance, and telecommunication) was strategically informed by their critical role in India's evolving economic landscape. Recent studies by dos Santos Beckert et al. (2023) highlighted the transformative potential of these service sectors, which are closely connected to consumers increasingly aware of social and environmental responsibilities, by driving sustainable organizational development. Nadda et al. (2023) emphasized these knowledge-intensive industries' unique organizational challenges and opportunities, making them ideal for investigating leadership and psychological dynamics. The service sector's significant contribution to India's GDP, estimated at 54%, according to Nadda et al. (2023), underscores its economic importance. Moreover, Erdiaw-Kwasie et al. (2022) argued that these industries represent the forefront of organizational innovation and psychological resilience, particularly in a rapidly changing global environment. The diversity of these sectors allows for a comprehensive examination of how positive leadership and psychological capital manifest across different organizational contexts, addressing the call by Hariprasad and Doraiswamy (2024) for more nuanced, cross-sectoral research on organizational development.

The data collection was conducted between January and June 2023. Study 1 (S1) was carried out from January to March 2023, focusing on IT professionals. Study 2 (S2) was conducted from April to June 2023, targeting banking, retail, and e-commerce employees. This sequential timing allowed for thorough data collection and analysis while minimizing potential external factors that could influence the results.

For S1, IT companies chosen from NASSCOM (2018) report operate in either of the selected cities in India. The service industry may be divided into six categories: travel, transportation, software, business, financial, and miscellaneous services (India Brand Equity Foundation [IBEF], 2022). For S2, the authors selected industries like banking, retailing, and e-commerce out of all of them. The selection of IT companies in S1 and banking, retail, and e-commerce in S2 reflects a strategic diver-

sification across different service sectors, each with unique demands and dynamics. With their knowledge-intensive work, high-stress environment, diverse workforce, and global interactions, IT companies provide an ideal setting for studying how positive leadership influences trust and flourishing. In contrast, the customer-centric, high-pressure, rapidly changing nature of the banking, retail, and e-commerce sectors, high turnover rates, and diverse roles make them perfect for examining how psychological capital and empowerment affect employees' ability to flourish.

The researchers generated a roster of individuals capable of facilitating access to their respective companies. Subsequently, the authors scheduled meetings with each designated contact person and their HR managers. Following the acquisition of endorsement from senior executive members, a formal letter elucidating the project was presented. This paved the way for the HR managers to furnish the researchers with an inventory of work units or workgroups slated for inclusion in the survey.

The participants were initially oriented to the objective and procedural aspects of completing the research team's questionnaire. Upon completion, the respondents enclosed the questionnaires in unmarked envelopes and submitted them directly to the research team, safeguarding the confidentiality of the survey findings. For the S1 survey, employees of the IT industry evaluated the positive leadership behaviors of their direct leaders and their trust and flourishing. The S1 questionnaire had 31 statements, and an IT employee took 30 minutes on average to complete it. In the second survey for S2, the employees of other selected service industries evaluated their psychological capital, empowerment, and flourishing. The S2 questionnaire had 44 statements, and it took 40 minutes for an employee to finish their response. In the first survey, 1800 employee questionnaires were issued, and 983 questionnaires were collected, with a response rate of 54.61%. In the second survey, 1100 questionnaires were distributed, and 722 questionnaires were collected. The response rates were 65.63%.

3.2. Measures

Table 1 mentions the constructs that were used in the questionnaire, along with their sources. Seven-point Likert scales from 1 = "very strongly disagree" to 7 = "very strongly agree" were used to measure all items in the survey. The study used two questionnaires, S1 and S2. Questionnaire S1 has constructs like positive leadership measures, trust in the workplace, and flourishing. Questionnaire S2 has constructs like flourishing, psychological capital, and psychological empowerment. The items and the variables used in the study are in the Appendix.

Table 1. Measures used in the study with their reliability and sources

Study	Constructs	Items	Cronbach's alpha	Source
S1	Positive leadership	17		Arakawa & Greenberg (2007)
	Strengths-based approach	5	0.885	
	Positive perspective	5		
	Recognition	7		
S1	Trust in workplace	6	0.709	Yamagishi & Yamagishi (1994)
S1, S2	Flourishing	8	0.908	Diener & Wirtz (2010)
S2	Psychological capital	24	0.877	Luthans et al., (2007)
	Self-efficacy	6	0.862	
	Hope	7	0.879	
	Resilience	5	0.874	
	Optimism	6	0.868	
S2	Psychological empowerment	12	0.861	Spreitzer, (1995)

Note: S1, S2 represent the constructs used in Studies 1 and 2, respectively.

3.3. Sampling technique

Organizations were chosen using a stratified selection approach, with strata based on industries. The study used judgmental sampling to determine who should get the questionnaire. Judgmental sampling is practical when the researchers need to collect data efficiently from a large and diverse population. One of the study's inclusion criteria was that workers should have served the current business for at least two years before completing the questionnaire. This requirement ensures that the respondents have enough experience within the company to provide informed and reliable responses regarding the influence of positice leadership, trust, and flourishing. Employees with less than two years of experience might not have fully acclimated to the company culture or experienced enough leadership styles to give meaningful insights. The additional criteria for inclusion were that only private-sector personnel were considered and that various job roles or individuals from various departments were included.

3.4. Data analysis

The study aims to examine the influence of positice leadership on trust and flourishing, understand the relationship between psychological capital and flourishing, and identify the role of psychological empowerment. These relationships among latent constructs (positice leadership, trust, flourishing, psychological

capital, and psychological empowerment) are well-suited for SEM analysis, as SEM allows for simultaneously estimating complex relationships among multiple latent variables (Bentler, 1990; Hair et al., 2013).

Firstly, the data were loaded in SPSS 18 to ensure no missing values and outliers. After satisfying the non-availability of missing values, the authors proceeded with SEM analysis. SEM analysis has been conducted using AMOS 18 software. The data also satisfied the assumptions of normality, so there are no violations of assumptions regarding SEM analysis. In SEM analysis, the Authors started with the model measurement using the goodness of fit test for the relationships established by S1 and S2. Then, we proceeded with path analysis to test the direct and indirect relationship.

4. Research findings

4.1. Structural equation modeling

Using maximum-likelihood estimation, the SEM yields good model fit indices and minor errors. As long as RMSEA is less than 0.08, GFI, CFI, IFI, and RFI are more significant than 0.90, and SRMR is less than 0.08, the model is considered to fit well (Hair et al., 2013; O'Rourke et al, 1994). Our model yields the following values indicating good model fit: AGFI = 0.86, CFI = 0.96, TLI = 0.95, RMSEA = 0.06, and RMSR = 0.07. The estimates of squared multiple correlations show that 48.6% of the variance in flourishing and 48.3% of the variance in trust was explained by positice leadership. As shown in Figure 2 and Table 2, the influence of positice leadership on trust and flourishing is highly significant, supporting our hypotheses H1 and H2.

Figure 2. Influence of positive leadership on trust in the workplace and flourishing
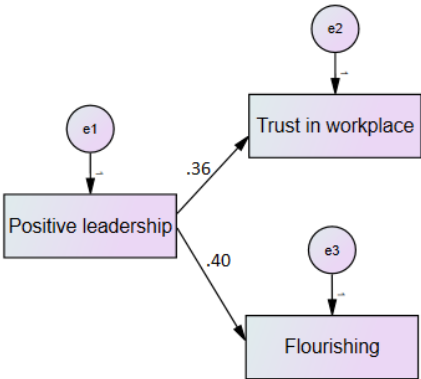
Table 2. Regression weights and squared multiple correlations of the Study 1 model

Paths			Estimate	S.E.	C.R.	P	R²
Trust in the workplace	←	Positive leadership	0.361	0.033	11.024	***	0.483
Flourishing	←	Positive leadership	0.405	0.034	11.846	***	0.486

Note: S.E: Standard error; C.R: Critical ration; P: P value; R²: R squared.

Figure 3. Path diagram of the mediator role of psychological empowerment between psychological capital and flourishing
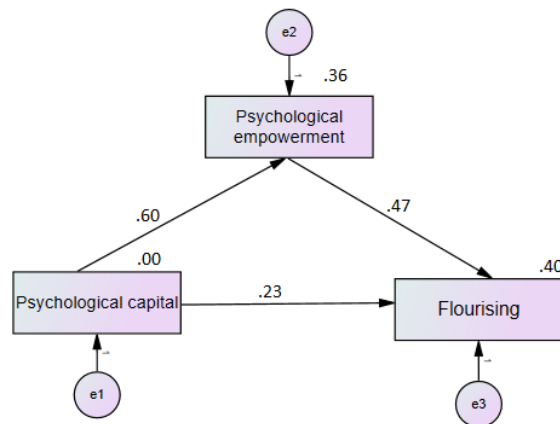
Table 3. Standardized coefficients of mediator role of psychological empowerment between psychological capital and flourishing

Paths			B	Direct effect	Indirect effect	Total effect	Decision
Psychological empowerment	←	Psychological capital	.603**	.231**	.282**	.513**	Partial mediation
Flourishing	←	Psychological empowerment	.468**				
Flourishing	←	Psychological capital	.231**				

** The significance level of all the values is $p < .01$; * The significance level of all the values is $p < .05$.

The path diagram in Figure 3 illustrates the mediating role of psychological empowerment between psychological capital and flourishing. Using maximum likelihood estimation, the SEM for S2 yields good model fit indices and minor errors. If RMSEA is less than 0.08, GFI, CFI, IFI, and RFI are more significant than 0.90, and SRMR is less than 0.08, the model is considered to fit well (Hair et al., 2013). Our model yields the following values indicating good model fit: AGFI = 0.88, CFI = 0.92, TLI = 0.91, RMSEA = 0.05, and RMSR = 0.07.

From Table 3, it is clear that the prediction of resilience affects psychological empowerment (β =.603, p < .01), the prediction of psychological empowerment affects flourishing (β=.468, p < .01), and the prediction of psychological capital affects flourishing (β =0.231, p < .01). The direct and indirect impacts of psychological empowerment were estimated to examine the mediating influence. The direct route coefficient of.231 is significant, as seen in Table 3. The standardized path coefficient improved to 282 when the mediator was included in the model, demonstrating a partly mediated influence on the association between psychological capital and flourishing. Our hypothesis H3 is accepted because of the significant direct effect of psychological capital on flourishing. Due to partial mediation, our hypothesis H4 is also accepted because the indirect effect is greater than the direct effect.

5. Discussion

The study strongly suggests that positive leadership has a significant favorable influence on both workplace flourishing and trust. Positive leadership behaviors, characterized by a leader's confidence, enthusiasm, and ability to inspire others toward organizational and employee well-being (Kelloway et al., 2013), increase employee flourishing. Flourishing, defined as a positive attitude at work, a goal-oriented mindset, enjoyment of personal growth, an optimistic outlook, and a sense of recognition (Andony et al., 2016), was enhanced by positive leadership practices. Furthermore, positive leadership recognition-based approach significantly influenced and improved trust in the workplace (Arakawa & Greenberg, 2007; Seligman & Schulman, 1986). Software professionals in India showed higher trust towards their immediate supervisors who recognized their abilities, respected their work, and maintained a positive outlook.

The study found a moderate, positive, and significant relationship between psychological capital and flourishing, consistent with previous research (Paterson et al., 2013). Psychological capital, encompassing self-efficacy, hope, resilience, and optimism (Luthans et al., 2005), enhanced self-directed work habits and job satisfaction (Paterson et al., 2013), ultimately promoting flourishing at work. Employees with higher levels of psychological capital were likelier to experience vitality (energy) and learning, two key components of flourishing (Rozkwitalska & Basinska, 2016).

The study confirmed that psychological empowerment mediates the relationship between psychological capital and flourishing. Employees who feel empowered at work, experiencing meaning, self-determination, competence, and

impact (Deci & Ryan, 2000), are likelier to thrive and experience growth (learning) and vitality. The findings align with previous research indicating that psychological empowerment mediates the association between psychological capital and work engagement (Joo et al., 2016), employee well-being (Wardani & Amaliah, 2020), and job performance (Hassanzadegan et al., 2019).

This study contributes to the current discourse on leadership styles by focusing on positive leadership, which aligns with the growing emphasis on positive organizational psychology. Although previous assertions regarding the efficacy of suitable leadership styles have faced scrutiny due to a dearth of empirical proof (Braha & Karabulut, 2023), this study meticulously examines the impact of positive leadership on two specific outcomes: trust and flourishing. By analyzing these connections, we can unravel the impact of leader actions separate from their assessments, filling a significant void in the existing body of research. Furthermore, we can improve our understanding of how leadership impacts results by examining the relationship between psychological capital and flourishing and the mediation function of psychological empowerment. Fischer et al. (2024) conducted a study that aligns with this approach, suggesting that leaders should not be the sole primary influencers in leadership research. Instead, it should also consider the impact of employee characteristics, such as psychological capital, and their perceptions, such as psychological empowerment, on organizational outcomes.

Using two different samples – IT for S1 and Banking, Retailing, and E-Commerce for S2 – is necessary to address the specific focuses of each study and enhance the overall robustness of the research. S1 examines the influence of positive leadership on trust and flourishing in the workplace, and the dynamic, innovative nature of IT companies provides an ideal environment to explore how leadership impacts these factors in a rapidly changing and technology-driven context. S2 examines how psychological empowerment affects the relationship between psychological capital and flourishing. Industries like banking, retailing, and e-commerce, with lots of customer interaction and different ways of doing things, provide a great setting to learn how psychological empowerment works in more varied and customer-focused settings. This dual-sample approach ensures that the findings are not only industry-specific but also broadly applicable, enhancing the generalizability of the conclusions.

6. Implications

The study clearly states that leaders who add positivism to their way of working, such as developing strengths, recognizing them, and having a positive approach, generate positive results regarding workplace trust and flourishing. According to the study, the effect of positive leadership substantially influenced the flourishing of software professions in information technology organizations (ITOs) in India. This has not been shown in earlier research. Because previous research had not looked into workplace trust, this study identifies Trust as a crucial component that impacts psychological empowerment and flourishing. The study's findings and implementation may be applied at the organizational, management, group, and individual levels. Positive leadership may help software professionals thrive by increasing their degree of well-being. Similarly, direct supervisors can assess their team members' perceptions of good leadership (strength, perspective, and recognition) and their impact on the construct. These interventions may be implemented in the workplace to improve productivity and performance. Software professionals enjoy Trust and flourishing when their direct superiors exercise good leadership. The human resource department must encourage and support supervisors in cultivating and practicing positive leadership in the workplace. According to the current study, the service sector should realize the value of cultivating psychological qualities among its employees. Furthermore, by creating suitable strategies, these businesses might work more effectively toward improving these skills, encouraging workers to thrive. The upper management of competitive sectors could also use this study to build the psychological resources of their frontline and core employees to engage them better on their jobs, thereby reducing the attrition rate and retaining vital organizational employees.

7. Conclusions

This study contributes to understanding positive leadership, psychological capital, and employee flourishing in the Indian service sector. First, it provides empirical evidence that positive leadership practices, characterized by confidence, enthusiasm, and the ability to inspire, positively influence employee trust and flourishing. Second, it confirms the positive relationship between psychological capital (self-efficacy, hope, resilience, optimism) and employee flourishing, aligning with previous research. Third, the study establishes that psychological empowerment mediates the relationship between psychological capital and flourishing, highlighting its crucial role in promoting employee growth and vitality.

While the study offers valuable insights, it is essential to acknowledge its limitations. One limitation is that the study focused solely on private-sector service organizations, which may limit the generalizability of the findings to public-sector entities. Additionally, the data were collected through self-report measures at a single point in time, which may be influenced by participants' moods, opinions, and attitudes at that moment. Furthermore, the high turnover rates in the retail industry made it challenging to find respondents with at least 24 months of experience in their current company, potentially affecting the sample representation. This study implemented SEM analysis, which relies on several assumptions, such as multivariate normality, linearity, and the absence of multicollinearity. Violations of these assumptions can lead to biased parameter estimates and incorrect statistical inferences. While SEM can test hypothesized causal relationships, it cannot establish causality definitively, as there may always be alternative explanations or unmeasured confounding variables that could account for the observed relationships.

Based on the findings and limitations, several areas warrant further research. Future studies could compare the findings between private and public sector service organizations to assess potential differences. Additionally, investigating the influence of other variables, such as organizational commitment and organizational citizenship behavior, on employee engagement and the potential mediating or moderating role of psychological empowerment would be beneficial. Exploring other potential moderators that may strengthen the relationship between psychological capital and employee engagement is also enjoyable. Furthermore, conducting studies to examine the effects of training interventions aimed at enhancing psychological capital and empowerment on employee outcomes would be valuable. Future research should also focus on comparing different industries. The comparison-based study can identify unique and common elements across sectors, providing a more comprehensive understanding of how positive leadership and psychological empowerment contribute to employee flourishing in diverse organizational settings. Finally, exploring the application of these findings in sectors beyond service organizations, where psychological involvement is critical for job success, could broaden the study's impact.

Author contributions

Disclosure statement

No potential conflict of interest was reported by the author(s).

References

Adams, B. G., Meyers, M. C., & Sekaja, L. (2020). Positive leadership: Relationships with employee inclusion, discrimination, and well-being. *Applied Psychology, 69*(4), 1145-1173. https://doi.org/10.1111/apps.12230

Addison, J. T., & Teixeira, P. (2020). Trust and workplace performance. *British Journal of Industrial Relations, 58*(4), 874-903. https://doi.org/10.1111/bjir.12517

Andony, T., Gorjian, N., & Finkelman, J. (2016). Effects of positive leadership and flow on employee well-being through the PERMA lens. *Austin Journal of Psychiatry & Behavioral Science, 3*(1), 1051-1056. https://austinpublishinggroup.com/psychiatry-behavioral-sciences/fulltext/ajpbs-v3-id1051.php

Arakawa, D., & Greenberg, M. (2007). Optimistic managers and their influence on productivity and employee engagement in a technology organization: Implications for coaching psychologists. *International Coaching Psychology Review, 2*(1), 78-89. https://doi.org/10.53841/bpsicpr.2007.2.1.78

Bakker, A. (2008). Building engagement in the workplace. In R. J. Burke & C. L. Cooper (Eds.), *The peak performing organization* (pp. 50-72). Routledge. https://doi.org/10.4324/9780203971611-14

Bentler, P. M. (1990). Comparative fit indexes in structural models. *Psychological Bulletin, 107*(2), 238-246. https://doi.org/10.1037/0033-2909.107.2.238

Braha, M., & Karabulut, A. T. (2023). Energizing workplace dynamics: Exploring the nexus of relational energy, humor, and PsyCap for enhanced engagement and performance. *Behavioral Sciences, 14*(1), 23. https://doi.org/10.3390/bs14010023

Burke, C. S., Sims, D. E., Lazzara, E. H., & Salas, E. (2007). Trust in leadership: A multi-level review and integration. *The Leadership Quarterly, 18*(6), 606-632. https://doi.org/10.1016/j.leaqua.2007.09.006

Byron, J. K. (2011). Human flourishing: An exploratory, grounded theory approach [Doctoral dissertation, Fordham University]. ProQuest Dissertations and Theses database. Retrieved May 26, 2025 from https://www.proquest.com/openview/e1ea8ea70f3e3e83a21cb34df8c899c9/1?pq-origsite=gscholar&cbl=18750

Cam, S., & Palaz, S. (2022). Mutual interests management with a purposive approach: Evidence from the Turkish shipyards for an amorphous impact model between (subjective) well-being and performance. *Industrial Relations Journal, 54*(1), 40-70. https://doi.org/10.1111/irj.12388

Cameron, K. S. (2012). *Positive leadership: Strategies for extraordinary performance* (2nd ed.). Berrett-Koehler Publishers.

Cheong, M., Yammarino, F. J., Dionne, S. D., Spain, S. M., & Tsai, C.-Y. (2019). A review of the effectiveness of empowering leadership. *The Leadership Quarterly, 30*(1), 34-58. https://doi.org/10.1016/j.leaqua.2018.08.005

Conger, J. A., & Kanungo, R. N. (1988). The empowerment process: Integrating theory and practice. *Academy of Management Review, 13*(3), 471-482. https://doi.org/10.5465/amr.1988.4306983

Creed, W. E. D., & Miles, R. E. (1996). Trust in organizations: A conceptual framework linking organizational forms, managerial philosophies, and the opportunity costs of controls. In R. M. Kramer & T. R. Tyler (Eds.), *Trust in organizations: Frontiers of theory and research* (pp. 16-38). Sage Publications. https://doi.org/10.4135/9781452243610.n2

Dalati, S., Raudeliūnienė, J., & Davidavičienė, V. (2017). Sustainable leadership, organizational trust on job satisfaction: Empirical evidence from higher education institutions in Syria. *Business, Management and Education, 15*(1), 14-27. https://doi.org/10.3846/bme.2017.360

Deci, E. L., & Ryan, R. M. (2000). The "what" and "why" of goal pursuits: Human needs and the self-determination of behaviour. *Psychological Inquiry, 11*(4), 227-268. https://doi.org/10.1207/S15327965PLI1104_01

Dewettinck, K., & Van Ameijde, M. (2011). Linking leadership empowerment behaviour to employee attitudes and behavioural intentions: Testing the mediating role of psychological empowerment. *Personnel Review, 40*(3), 284-305. https://doi.org/10.1108/00483481111118621

Diener, E., & Wirtz, D. (2010). New well-being measures: Short scales to assess flourishing and positive and negative feelings. In V. R. Preedy & R. R. Watson (Eds.), *Handbook of disease burdens and quality of life measures* (pp. 4351-435). Springer. https://doi.org/10.1007/978-0-387-78665-0_6916

Dos Santos, M. J. P. L., & Ahmad, N. (2020). Sustainability of European agricultural holdings. *Journal of the Saudi Society of Agricultural Sciences, 19*(5), 358-364. https://doi.org/10.1016/j.jssas.2020.04.001

Dutton, J. E., Roberts, L. M., & Bednar, J. (2020). Prosocial practices, positive identity, and flourishing at work. In C. L. Cooper (Ed.), *Psychological insights for understanding COVID-19 and work* (pp. 65-81). Routledge. https://doi.org/10.4324/9781003119951-5

Engelbrecht, A. S., Heine, G., & Mahembe, B. (2017). Integrity, ethical leadership, trust, and work engagement. *Leadership and Organization Development Journal, 38*(3), 368-379. https://doi.org/10.1108/LODJ-11-2015-0237

Eraslan-Capan, B. (2016). Social connectedness and flourishing: The mediating role of hopelessness. *Universal Journal of Educational Research, 4*(5), 933-940. https://doi.org/10.13189/ujer.2016.040501

Erdiaw-Kwasie, M. O., Abunyewah, M., Yusif, S., & Erdiaw-Kwasie, A. (2022). Does circular economy knowledge matter in sustainable service provision? A moderation analysis. *Journal of Cleaner Production, 383*, 135429. https://doi.org/10.1016/j.jclepro.2022.135429

Fairholm, G. W. (1994). Leading diverse followers. *Journal of Leadership & Organizational Studies, 1*(4), 82-93. https://doi.org/10.1177/107179199400100408

Fana, M., & Villani, D. (2023). Is it all the same? Types of innovation and their relationship with direct control, technical control, and algorithmic management. *European Journal of Industrial Relations, 29*(4), 367-391. https://doi.org/10.1177/0959680 1231180399

Ferres, N., & Travaglione, T. (2003). *Development and validation of the Workplace Trust Survey (WTS): Combining qualitative and quantitative methodologies* (Paper presented at APROS Mexico 2003, Emotions, Attitudes and Culture Stream). https://www.academia.edu/70616992/Development_and_Validation_of_the_WTS_ 1_The_Development_and_Validation_of_the_Workplace_Trust_Survey_WTS_Co mbining_Qualitative_and_Quantitative_Methodologies_Paper_to_be_Presented_ at_APROS_Mexico_2003_Emotions_Attitudes_and_Culture_Stream

Fischer, T., Dietz, J., & Antonakis, J. (2024). A fatal flaw: Positive leadership style research creates causal illusions. *The Leadership Quarterly, 101*, 101771. https://doi. org/10.1016/j.leaqua.2023.101771

Fowler, R. D., Seligman, M. E. P., & Koocher, G. P. (1999). The APA 1998 Annual Report. *American Psychologist, 54*(8), 537-568. https://doi.org/10.1037/0003-066x. 54.8.537

Gerard, L., McMillan, J., & D'Annunzio-Green, N. (2017). Conceptualising sustainable leadership. *Industrial and Commercial Training, 49*(3), 116-126. https://doi.org/ 10.1108/ict-12-2016-0079

Goetz, T., Botes, E., Resch, L. M., Weiss, S., Frenzel, A. C., & Ebner, M. (2024). Teachers emotionally profit from positive school leadership: Applying the PERMA-Lead model to the control-value theory of emotions. *Teaching and Teacher Education, 141*, 104517. https://doi.org/10.1016/j.tate.2024.104517

Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2013). *A primer on partial least squares structural equation modeling (PLS-SEM)*. Sage Publications. https:// eli.johogo.com/Class/CCU/SEM/_A%20Primer%20on%20Partial%20Least%20Sq uares%20Structural%20Equation%20Modeling_Hair.pdf

Hariprasad, R., & Doraiswamy, A. (2024). Examining internal stakeholder influence on firm sustainability: The moderating role of organizational support. *Qubahan Academic Journal, 4*(2), 184-197. https://doi.org/10.48161/qaj.v4n2a422

Hassanzadegan, S., Bagheri, M., & Shojaei, P. (2019). The relationship between psychological capital and job performance: The mediating role of psychological empowerment. *International Journal of Behavioral Sciences, 13*(3), 104-110. https://www. behavsci.ir/article_97325.html

Henderson, L. W., Knight, T., & Richardson, B. (2013). An exploration of the well--being benefits of hedonic and eudaimonic behaviour. *The Journal of Positive Psychology, 8*(4), 322-336. https://doi.org/10.1080/17439760.2013.803596

Henry, P. C. (2005). Life stresses, explanatory style, hopelessness, and occupational class. *International Journal of Stress Management, 12*(3), 241-256. https://doi.org/ 10.1037/1072-5245.12.3.241

India Brand Equity Foundation (IBEF). (2022). *Annual report 2021-22*. https://www.ibef.org/uploads/IBEF-Annual-Report-2021-22-FINAL.pdf

Islam, M. N., Furuoka, F., & Idris, A. (2022). Transformational leadership and employee championing behaviour during organizational change: The mediating effect of work engagement. *South Asian Journal of Business Studies, 11*(1), 1-19. https://doi.org/10.1108/SAJBS-01-2020-0016

Joo, B.-K., Lim, D. H., & Kim, S. (2016). Enhancing work engagement: The roles of psychological capital, authentic leadership, and work empowerment. *Leadership and Organization Development Journal, 37*(8), 1117-1134. https://doi.org/10.1108/LODJ-01-2015-0005

Kao, P.-J., Pai, P., Lin, T., & Zhong, J.-Y. (2015). How transformational leadership fuels employees' service innovation behaviour. *The Service Industries Journal, 35*, 448-466. https://doi.org/10.1080/02642069.2015.1015519

Karl, K. A. (2000). Trust & betrayal in the workplace: Building effective relationships in your organization trust & betrayal in the workplace. *Academy of Management Perspectives, 14*(2), 133-134. https://doi.org/10.5465/ame.2000.3819317

Kelemen, K. T., Matthews, H. S., & Breevaart, K. (2020). Leading day-to-day: A review of the daily causes and consequences of leadership behaviours. *The Leadership Quarterly, 31*(1), 101344. https://doi.org/10.1016/j.leaqua.2019.101344

Kelloway, E. K., Weigand, H., McKee, M. C., & Das, H. (2013). Positive leadership and employee well-being. *Journal of Leadership and Organizational Studies, 20*(1), 107-117. https://doi.org/10.1177/1548051812465892

Keyes, C. L. M. (2007). Promoting and protecting mental health as flourishing: A complementary strategy for improving national mental health. *American Psychologist, 62*(2), 95-108. https://doi.org/10.1037/0003-066X.62.2.95

Keyes, C. L. M. (2014). Happiness, flourishing, and life satisfaction. In W. C. Cockerham, R. Dingwall, & S. R. Quah (Eds.), *The Wiley Blackwell encyclopedia of health, illness, behavior, and society* (pp. 747-751). Wiley Blackwell. https://doi.org/10.1002/9781118410868.wbehibs454

Knight, C., Patterson, M., & Dawson, J. (2017). Building work engagement: A systematic review and meta-analysis investigating the effectiveness of work engagement interventions. *Journal of Organizational Behaviour, 38*(6), 792-812. https://doi.org/10.1002/job.2167

Kyrdoda, Y., Balzano, M., & Vianelli, D. (2024). The formation of a sustainable organizational identity: Insights from Brazilian coffee producers. *Business Strategy and the Environment*, 1-18. https://doi.org/10.1002/bse.3975

Luthans, F., & Youssef, C. M. (2004). Human, social, and now positive psychological capital management: Investing in people for competitive advantage. *Organizational Dynamics, 33*(2), 143-160. https://doi.org/10.1016/j.orgdyn.2004.01.003

Luthans, F., & Youssef-Morgan, C. M. (2017). Psychological capital: An evidence-based positive approach. *Annual Review of Organizational Psychology and Organizational Behaviour, 4*, 339-366. https://doi.org/10.1146/annurev-orgpsych-032516-113324

Luthans, F., Avey, J. B., Avolio, B. J., Norman, S. M., & Combs, G. M. (2006). Psychological capital development: Toward a micro-intervention. *Journal of Organizational Behavior, 27*(3), 387-393. https://doi.org/10.1002/job.373

Luthans, F., Avolio, B. J., Avey, J. B., & Norman, S. M. (2007). Positive psychological capital: Measurement and relationship with performance and satisfaction. *Personnel Psychology, 60*(3), 541-572. https://doi.org/10.1111/j.1744-6570.2007.00083.x

Luthans, F., Avolio, B. J., Walumbwa, F. O., & Li, W. (2005). The psychological capital of Chinese work: Exploring the relationship with performance. *Management and Organization Review, 12*(2), 249-271. https://doi.org/10.1111/j.1740-8784.2005.00011.x

Lyubomirsky, S., & Layous, K. (2013). How do simple positive activities increase well-being? *Current Directions in Psychological Science, 22*(1), 57-62. https://doi.org/10.1177/0963721412469809

Mak, W. W. S., Ng, I. S. W., & Wong, C. C. Y. (2011). Resilience: Enhancing well-being through the positive cognitive triad. *Journal of Counseling Psychology, 58*(4), 610-617. https://doi.org/10.1037/a0025195

Masten, A. S., & Reed, M.-G. J. (2002). Resilience in development. In C. R. Snyder & S. J. Lopez (Eds.), *Handbook of positive psychology* (pp. 74-88). Oxford University Press.

Mayer, R. C., Davis, J. H., & Schoorman, F. D. (1995). An integrative model of organizational trust. *Academy of Management Review*, *20*(3), 709-734. https://doi.org/10.2307/258792

McCormack, B., & Titchen, A. (2014). No beginning, no end: An ecology of human flourishing. *International Practice Development Journal, 4*(2), 2. https://doi.org/10.19043/ipdj.42.002

Menon, S. (2001). Employee empowerment: An integrative psychological approach. *Applied Psychology, 50*(1), 153-180. https://doi.org/10.1111/1464-0597.00052

Mohrenweiser, J. (2021). Reconciling the opposing economic effects of works councils across databases. *Industrielle Beziehungen, 28*(4), 384-406. https://doi.org/10.3224/indbez.v28i4.03

Mohrenweiser, J. (2022). Works councils. In K.F. Zimmermann (Eds.), *Handbook of labor, human resources and population economics* (pp. 1-40). Springer. https://doi.org/10.1007/978-3-319-57365-6_206-1

Nadda, V., Tyagi, P. K., Vieira, R. M., & Tyagi, P. (2023). *Implementing sustainable development goals in the service sector*. IGI Global. https://doi.org/10.4018/979-8-3693-2065-5

NASSCOM. (2018). *The IT-BPM sector in India 2018: Amplify digital* (Report No. R 338.7616584058). NASSCOM. https://nasscom.in/sites/default/files/uploads/temp/Strategic_Review_2018_Final_13032018.pdf

Nguyen, Q., Kuntz, J. R. C., Näswall, K., & Malinen, S. (2016). Employee resilience and leadership styles: The moderating role of proactive personality and optimism. *New Zealand Journal of Psychology*, *45*(2), 13. https://www.psychology.org.nz/journal-archive/Employee-resilience-and-leadership-styles.pdf

Norton, T. A., Ashkanasy, N. M., & Da Silva, J. (2023). Driving sustainable development transformations with emotional leadership. In A. Di Fabio & C. L. Cooper (Eds.), *Psychology of sustainability and sustainable development in organizations* (pp. 104-125). Routledge. https://doi.org/10.4324/9781003212157-9

O'Keefe, P. A., Horberg, E. J., & Plante, I. (2017). The multifaceted role of interest in motivation and engagement. In P. A. O'Keefe & J. M. Harackiewicz (Eds.), *The science of interest* (pp. 49-67). Springer International Publishing. https://doi.org/10.1007/978-3-319-55509-6_3

O'Rourke, N., Hatcher, L., & Stepanski, E. J. (1994). *A step-by-step approach to using the SAS system for univariate and multivariate statistics*. SAS Institute. http://ndl.ethernet.edu.et/bitstream/123456789/42487/2/100.pdf

Paterson, T. A., Luthans, F., & Jeung, W. (2013). Thriving at work: Impact of psychological capital and supervisor support. *Journal of Organizational Behavior, 35*(3), 434-446. https://doi.org/10.1002/job.1907

Piwowar-Sulej, K., Krzywonos, M., & Kwil, I. (2021). Environmental entrepreneurship: Bibliometric and content analysis of the subject literature based on H-Core. *Journal of Cleaner Production, 295*, 126277. https://doi.org/10.1016/j.jclepro.2021.126277

Quinn, R. E., & Spreitzer, G. M. (1997). The road to empowerment: Seven questions every leader should consider. *Organizational Dynamics, 26*(2), 37-49. https://doi.org/10.1016/s0090-2616(97)90004-8

Ramdas, S. K., & Patrick, H. A. (2019). Driving performance through positive leadership. *Journal of Positive Management, 9*(3), 17-24. https://doi.org/10.12775/jpm.2018.146

Rantika, S. D., & Yustina, A. I. (2017). Effects of ethical leadership on employee well-being: The mediating role of psychological empowerment. *Journal of Indonesian Economy and Business, 32*(2), 121-137. https://doi.org/10.22146/jieb.22333

Rozkwitalska, M., & Basinska, B. A. (2015). Positive psychological capital enhances thriving in the multicultural work environment of multinational corporations. In D. Vrontis, Y. Weber, & E. Tsoukatos (Eds.), *9th Annual Conference of EuroMed Academy of Business. Innovation, Entrepreneurship and Digital Ecosystems. Conference Book Proceeding* (pp. 1565-1576). EuroMed Press. https://www.researchgate.net/publication/308326413_POSITIVE_PSYCHOLOGICAL_CAPITAL_ENHANCES_THRIVING_IN_THE_MULTICULTURAL_WORK_ENVIRONMENT_OF_MULTINATIONAL_CORPORATIONS

dos Santos Beckert, D., Canciglieri, M. B., Tortato, U., & Canciglieri, O. Jr. (2023). An initial exploration of lean and sustainable development with a focus on service. In W. Leal Filho, F. Frankenberger, & U. Tortato (Eds.), *Sustainability in practice* (World Sustainability Series; pp. 221-231). Springer. https://doi.org/10.1007/978-3-031-34436-7_13

Seligman, M. E., & Csikszentmihalyi, M. (2000). Positive psychology: An introduction. *American Psychologist, 55*(1), 5-14. https://doi.org/10.1037/0003-066x.55.1.5

Seligman, M. E. P., & Schulman, P. (1986). Explanatory style as a predictor of productivity and quitting among life insurance sales agents. *Journal of Personality and Social Psychology, 50*(4), 832-838. https://doi.org/10.1037/0022-3514.50.4.832

Singha, S. (2024). Fostering a culture of sustainability through human resources practices. In *Advances in human resources management and organizational development book series* (pp. 107-124). IGI Global Scientific Publishing. https://doi.org/10.4018/979-8-3693-1994-9.ch007

Spector, M. D., & Jones, G. E. (2004). Trust in the workplace: Factors affecting trust formation between team members. *The Journal of Social Psychology, 144*(3), 311-321. https://doi.org/10.3200/socp.144.3.311-321

Spreitzer, G. M. (1995). Psychological empowerment in the workplace: Dimensions, measurement, and validation. *Academy of Management Journal, 38*(5), 1442-1465. https://doi.org/10.2307/256865

Stander, M. W., & Coxen, L. (2017). A review of the relationship between positive leadership styles and psychological ownership. In C. Olckers, L.van Zyl, & L. van der Vaart (Eds.), *Theoretical Orientations and Practical Applications of Psychological Ownership* (pp. 37-60). Springer. https://doi.org/10.1007/978-3-319-70247-6_3

Taraza, E., Anastasiadou, S., Seremeti, L., & Masouras, A. (2024). Environmental, social, and governance of businesses and organizations and the role of human resources. In C. Papademetriou, S. Anastasiadou, K. Ragazou, A. Garefalakis, & S. Papalexandris (Eds.), *ESG and total quality management in human resources* (pp. 116-132). IGI Global Scientific Publishing. https://doi.org/10.4018/979-8-3693-2991-7.ch006

Tideman, S. G., Arts, M. C., & Zandee, D. P. (2013). Sustainable leadership: Towards a workable definition. *Journal of Corporate Citizenship, 49*, 17-33. https://www.proquest.com/docview/1470800535/fulltextPDF?pq-origsite=primo&searchKeywords=55,AND&sourcetype=Scholarly%20Journals

Victor, J., & Hoole, C. (2017). The influence of organizational rewards on workplace trust and work engagement. *SA Journal of Human Resource Management, 15*, a853. https://doi.org/10.4102/sajhrm.v15i0.853

Wallis, H., Bamberg, S., Schulte, M., & Matthies, E. (2021). Empowering people to act for a better life for all. *European Psychologist, 26*(3), 184-194. https://doi.org/10.1027/1016-9040/a000436

Wardani, L. M. I., & Amaliah, A. (2020). The role of psychological empowerment as mediator between psychological capital and employee well-being. *Journal of Critical Reviews, 7*(13). https://doi.org/10.31838/jcr.07.13.49

Yalden, J. B., & McCormack, B. (2010). Constructions of dignity: A pre-requisite for flourishing in the workplace? *International Journal of Older People Nursing, 5*(2), 137-147. https://doi.org/10.1111/j.1748-3743.2010.00218.x

Youssef-Morgan, C. M., & Luthans, F. (2013). Positive leadership: Meaning and application across cultures. *Organizational Dynamics, 42*(3), 198-208. https://doi.org/10.1016/j.orgdyn.2013.06.005

Zhu, Y., Zhang, S., & Shen, Y. (2019). Humble leadership and employee resilience: Exploring the mediating mechanism of work-related promotion focus and perceived insider identity. *Frontiers in Psychology, 10*, 673. https://doi.org/10.3389/fpsyg.2019.00673

Appendix

Construct, variables and their respective items used in the measures

Constructs/ Variables	Item no.	In my organization………………………….
Positive leadership		
Strength-based question	1	My immediate supervisor spends more time focusing on my weaknesses than focusing on my strengths.*
	2	My immediate supervisor appreciates my strengths.
	3	My immediate supervisor matches my talents to the tasks that need to be accomplished.
	4	My immediate supervisor encourages high performance by helping me fix my weaknesses.
	5	My immediate supervisor encourages high performance by building on my strengths.
Positive perspective	6	When a problem crops up on my project, I usually go to my immediate supervisor for help.
	7	When I have a problem, I avoid going to my immediate supervisor.*
	8	When a problem crops up on my project, my immediate supervisor is able to help me come up with solutions.
	9	My immediate supervisor can manage his/her emotions.
	10	My immediate supervisor tells me to move on when a particular path is a dead-end.
Recognition	11	My immediate supervisor recognizes my accomplishments regularly.
	12	My immediate supervisor regularly recognizes project milestones.
	13	I would describe my immediate supervisor as a "cheerleader".
	14	My immediate supervisor notices even "little" accomplishments.
	15	I know exactly what my immediate supervisor expects from me.
	16	I know that my immediate supervisor will recognize my hard work/devotion.
	17	My immediate supervisor regularly provides encouragement to me.
Trust in the workplace		
	1	Trust a typical employee in this organization.
	2	It is best not to share concerns or complaints with co-workers because they will probably use this information to harm you.*
	3	Most employees don't like to work and will avoid it if they can.*
	4	Despite what they may say, immediate supervisors really don't care if employees lose their jobs.*
	5	If someone in this organization makes a promise, others within the organization will almost always trust that the person will do his or her best to keep the promise.
	6	There is a high level of trust throughout this organization.
Flourishing		
	1	I lead a purposeful and meaningful life.
	2	My social relationships are supportive and rewarding.
	3	I am engaged and interested in my daily activities.
	4	I actively contribute to the happiness and well-being of others.
	5	I am competent and capable in the activities that are important to me.
	6	I am a good person and live a good life.
	7	I am optimistic about my future.
	8	People respect me.

Psychological capital		
Self-efficacy	1	I feel confident when I'm looking for a solution to a long-term problem.
	2	I feel confident in representing my work area in meetings with the organization's management.
	3	I feel confident about contributing to discussions about the organization's strategy.
	4	I am able to define set goals for my work area.
	5	I feel confident when I need to make contact with people outside the company (e.g., customers and suppliers) to discuss problems.
	6	I feel confident to present information to a group of colleagues.
Hope	7	If I were in a difficult situation at work, I could think of many ways to get out of it.
	8	Nowadays, I try to achieve my goals with great energy.
	9	For any problem, there are many ways to solve it.
	10	Right now, I see myself as a successful person at work.
	11	I can think of many ways to achieve my goals at work.
	12	Right now, I am achieving the professional goals that I defined for myself.
	13	When I have a setback at work, I have trouble recovering from it and moving on.
Resilience	14	In one way or another, in general, I can manage work and its difficulties.
	15	At work, if necessary, I am able to stand "at my own risk."
	16	In general, I can easily step over the more stressful things at work.
	17	I can overcome the difficult times at work because I already came through difficulties in the past.
	18	I feel that I can handle many things at the same time at work.
Optimism	19	When things are uncertain for me at work, I usually expect the best.
	20	If something can go wrong for me work-wise, it will.
	21	In my work, I always look on the positive side of things.
	22	At work, I am optimistic about what will happen in the future.
	23	At work, things never go as I would like (*).
	24	I work with the conviction that every setback has a positive side.
Psychological empowerment		
	1	I am confident about my ability to do my job.
	2	The work that I do is important to me.
	3	I have significant autonomy in determining how I do my job.
	4	My impact on what happens in my department is large.
	5	My job activities are personally meaningful to me.
	6	I have a great deal of control over what happens in my department.
	7	I can decide on my own how to go about doing my own work.
	8	I have considerable opportunity for independence and freedom in how I do my job.
	9	I have mastered the skills necessary for my job.
	10	The work I do is meaningful to me.
	11	I have a significant influence over what happens in my department.
	12	I am self-assured about my capabilities to perform my work activities.

* The item has to be reversed.