

STRESS MANAGEMENT, WORKLIFE BALANCE, EMPLOYEE'S WELLBEING AND PSYCHOLOGICAL CAPITAL AMONG IT EMPLOYEES OF PAKISTAN

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Abstract. *The study investigates the impact of stress management and work-life balance on employee well-being, exploring the moderating role of psychological capital (PsyCap) among IT employees in Pakistan. The findings reveal significant positive correlations between stress management, work-life balance, and employee well-being. Psychological capital acts as a moderator, amplifying the positive effects of stress management and work-life balance on well-being. Employees with higher PsyCap resources are better equipped to manage stress, achieve work-life balance, and experience greater well-being. These findings highlight the importance of promoting stress management practices and PsyCap development in organizations to foster a healthier and more productive work environment for IT employees.*

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Introduction

The amount of time individuals spend at work underscores the importance of a positive and supportive workplace environment. It directly affects employee well-being and has impact on their physical and mental health (Michael et al., 2007). Modern employees face many challenges. Rising living expenses, increased demands related to work-life balance, and the like can lead to stress and health issues (Omar et al., 2015). The struggle to fulfill both personal and professional demands exacerbates stress levels and negatively impacts well-being. This means it has a critical role in employee well-being. It could be positive (eustress) or negative (distress) (Oxford University Press, 2018). Eustress, or positive stress, can motivate individuals to achieve goals and enhance productivity. In contrast, distress, or negative stress can lead to suffering and hinder performance.

Therefore, understanding the interplay between workplace environment, stress, and employee well-being is essential for organizations. By fostering a supportive environment that minimizes distress and promotes eustress, organizations can contribute significantly to the overall well-being of their employees and their productivity. When employees face situational constraints, they take such situations either challenging and motivate them or hinder their productivity (Bakker & Demerouti, 2017). These constraints often manifest as stressors, which are categorized into two main types: challenge stressors and hindrance stressors (Cavanaugh et al., 2000). Challenge stressors, like deadlines or complex tasks, positively stimulate employees by providing opportunities for growth and achievement. For example, a tight deadline can motivate an employee to develop new skills and work efficiently. Conversely, hindrance stressors, such as unclear instructions or lack of resources, create undesirable circumstances that hinder progress and satisfaction. For instance, unclear instructions can lead to confusion, frustration, and ultimately, missed deadlines.

Pakistan boasts a thriving IT industry, with over 10,000 registered companies under the SECP and ranking 5th in net export services (SECP, 2023). This growth is concentrated in Punjab, where Lahore, dubbed the "Silicon Valley of Pakistan," houses numerous software houses and top universities in the IT field. While this burgeoning sector offers promising opportunities, challenges remain. Pakistani universities churn out thousands of IT graduates, many of whom compete for positions in top software houses. To secure employment, some individuals resort to long working hours, jeopardizing work-life balance and impacting their physical and mental health. This research aims to understand how strengthening PsyCap can empower employees to effectively manage stress, leading to happier and more balanced lives. Drawing inspiration from Bell et al. (2012), this study investigates the multifaceted relationships among PsyCap, employee well-being, stress management, and work-life balance within Pakistan's IT industry. By examining these interactions, we hope to gain valuable insights into how to optimize the well-being of employees in this rapidly evolving sector. This study highlighted that how implementing effective stress management strategies, fostering a culture of work-life balance, and acknowledging individual differences, organizations can empower employees to achieve well-being and reach their full potential.

This study describes the effect of stress management and work-life balance on employee well-being, exploring the moderating and mediating role of psychological capital. It aims to identify stressors affecting employee well-being at the workplace, analyze employee strategies for managing stress, examine the impact of work-life balance on employee well-being, study how psychological capital resources (hope, efficacy, resilience, optimism)

moderates and mediates the relationship between stress management, work-life balance, and employee well-being. There are few studies which focuses on moderation and mediation of PsyCap on these constructs, and unique in context of IT sector of developing countries especially the case of Pakistan. On the basis of above discussion, there are eight hypotheses to be tested in this study, which are given below:

Literature Review

Employee well-being and Psychological capital

Keeman et al. (2017) conceptualize employee well-being as feeling satisfied and performing well at the workplace. A person's quarter of his/her adult life is spent on work and it is a major part of a person's life. So, performing well at the workplace and being satisfied with the work and personal routine are the major components of an employee's well-being. Page and Vella (2009) described the questions about what, why, and how the well-being of the employee is focused, and the model of employee well-being is constructed on three factors. 1) Subjective well-being (it relates to the satisfaction from a job that will provide satisfaction in his overall life); 2) Workplace well-being and 3) psychological well-being. According to Avey et al. (2010), employee well-being is mostly considered as the employee's satisfaction with the job but broadly it is the quality of the employee's experience and how he functions at the workplace. This describes his physical, psychological, and sociological well-being.

Psychological capital is defined as the individual's constructive psychological condition that includes four constructive psychological resources which are self-efficacy, hope, optimism, and resilience (Luthans et al; 2008). Psychological Capital deals with the behavior, attitude, and performance of the employee, and this concept is gaining interest. It impacts the employee on an individual level and also influences team and organizational levels (Newman et al, 2014).

Avey et al. (2010) explained that Positive psychological resources like hope, optimism, motivation, support, and resilience have been related to employee performance management.

Psychological capital resources relate positively with well-being, and focus on employee well-being which also helps the company to increase productivity (Sin & Lyubomirsky 2009; Walia & Nishtha, 2018). PsyCap helps to lessen stress and increase well-being by maintaining favorable conditions to maintain work-life balance and reducing the bad impact of stress on employees' well-being (Youssef & Craig, 2019). So psychological capital helps to achieve well-being by reducing pressure on the employee and

maintaining workplace spirituality and giving him hope, optimism, resilience, and efficacy which is very important for his performance management and well-being because he will feel less stressed and manage internal emotions that will maintain his well-being.

The workplace has changed over the last forty years due to the growth in the IT department, changes in the organization structure, and contract bases work has changed the way of doing work in many organizations which causes stress and impacts employee well-being. To deal with the diverse working environment it is necessary for the organization to make strategies that provide flexible working hours, and to take care of the employee's needs to minimize stress and provide well-being to the employee.

Stress Management and Psychological Capital

Stress according to Baqutyan (2015) is defined as an unpleasant condition of emotional and physical arousal that people face in conditions that seem dangerous and terrifying to their well-being. Stress has three different dimensions. Stress may be from the external resources that can come from the environment that causes tension. Stress may be subjective which shows that stress is the internal state of mind that causes tension. It may be a critical, emotional, and defensive process that happens inside the person. This promotes maturity and also causes strain on the mind. Thirdly stress is the body's reaction to the demands that damage his well-being and this reaction helps in coping with the stress (Baqutayan, 2015).

Stress is an umbrella term with wide meanings, but the two meanings derived from stress at the workplace are the factors that generate stress like workload, and the stress response that comes from these stressors, which can be the inability to deal with the stress. There are various stress models like a demand-control-support model. When the demands of the job are high and workers are unable to meet the demands and they don't have support from their colleagues this causes stress in them.

Another model is the effort-reward-imbalance model in which the employee's efforts are higher and the rewards according to his efforts are insufficient. This model proposes six management standards if not properly managed impact the employee's well-being. These are demands of the job control which means how much the employee can handle work, support from the organization, relationships among colleagues, and understanding the role and changes in the organization.

Occupational stress is a complex phenomenon and there are various models to understand occupational stress. The JD-C (Job Demand Control) model states that high demands for the job cause high stress on the employees and the factor to control the tasks reduces the negative impact of high job

demands. The JD-R (Job demand resource) model states that job demands produce stress and job resources produce motivation in employees. Adequate resources help the employee to deal with high job demands. The conservation of resource model suggests that people use resources to overcome stress (Hui & Aye, 2018).

How individuals manage their emotions impacts their well-being. Negative emotions create depression in individuals. Depression results in inappropriate emotions, and poor cognitive control, which increases expressive suppression. Rumination is common in depression and individuals face unwanted, negative thoughts. It relates to worry and fear. Some individuals take these stressors more seriously than others (Compare et al; 2014).

To maintain self-image a person considers others as a competition, they don't believe in collaboration with others and they become uneasy in interacting with their environment and their self-become more important rather than other. They develop zero-sum relationships with others which induces stress and affects their well-being (Crocker & Canevello, 2008). When their weaknesses appear in front of people they lose emotional bonding with the people. Maintaining self-image decreases their self-esteem and thus stress and depression increase (Crocker et al., 2010).

Employees who face fear are more prone to stress, anxiety, and depression. Excess workload results in dissatisfaction, discontentment, and poor bonding at the workplace. It results in the ill-being of the employee (Coetzee & Harry, 2014). Work stress is the result of mismatched job demands and the resources and their ability to fulfill those demands. Stress culture develops negative consequences on both the individual and the organization so that's why stress management is very important (Sahoo, 2016).

In Pakistan, job stress has an impact on performance and has adverse effects on the employee's well-being (Dar & Naseem, 2011). Stress management is the ongoing process of controlling, diagnosing, and preventing stressors that impact employees, organizations, and productivity. If stress is not handled properly results in the deterioration of employees' health both psychological and physiological.

IT professionals face a lot of stress due to heavy targets and excess pressure. So, stress management, physical and mental activities that lower stress, finding the stressors that trigger stress, organizational support, and counseling programs should be introduced (Devi, 2011). Acronym HERO which means hope, efficacy, resilience, and optimism is considered the psychological resource of PsyCap that best fits the Inclusion criteria because it gives the sense of support and agency to achieve the goal. Hope and

confidence are controlled by the person himself and come from the internal locus of control but optimism and resilience are developed after the circumstances (Aларcon et al; 2013).

Stress may be positive but mostly it is seen that PsyCap helps to make a person more creative even with stress (Ghafoor & Haar, 2022). If PsyCap is considered as a moderator at the individual level and its relationship between different variables is studied then it shows various influences on workplace outcomes. PsyCap moderates the relationship between stress and bad habits in such a way that it is weak for those who have high PsyCap (Roberts et al., 2011). So, those employees who have high psychological capital are better able to cope with stress management strategies.

Work-life Balance and Psychological Capital

Work-life balance means managing work tasks and family responsibilities and obligations and maintaining a balance between them to have a good quality of life. Employees maintain work-life balance by having autonomy of work, having responsibility for the work, having good relationships with their supervisors, avoiding bringing work to their homes, by having quality time to focus on their life (Byrne, 2005). Work-life balance involves distributing time, energy, and commitment across work and non-work domains, fostering a fulfilling and balanced life (Brough et al., 2020).

In Pakistan due to the changes in the economy, work-life balance has become very important and imbalance in work and life impacts both the personal and work life. It has shown that work-life balance has a positive relationship with employee satisfaction and organizational commitment (Arif & Farooqi, 2014). Maintaining work-life balance is very important for mental well-being and a continuous workforce. This will help the organizations to retain better employees and increases productivity because it produces skilled employees (Fazal et al, 2022).

The stress on the employee occurs when one side either family or the workplace put excess pressure on the employee and this effect the individual performance towards his responsibilities imbalance of work and life may also affect the well-being of the individual and result in a dissatisfied and unhappy life. Organizations demand more time from the employee at the job and that employee also has to fulfill his family responsibilities, if he loses the balance between family and works then it results in lower satisfaction from the family and involved more in family roles the individual may sacrifice the working hours.

Job demands create a high level of distress among employees and excess work done by individuals in this competitive world on evenings and weekends becomes common. This may result in poor management of work/life balance

and many employees who are facing work/life conflicts are observed as less healthy, are less satisfied with their jobs, and wanted to leave their jobs. On the other hand, those employees who have control over their work, have flexible hours of work, and support from the organization maintain a work/life balance, and thus less conflict occurs between work and personal life (Kinman, 2008).

Psychological capital is the coping ability of the employee to deal with stress and maintain work life balance through which he will be able to maintain well-being. Psychological capital is positively related to work-life balance and employee well-being (Siu, 2013). And psychological capital is negatively related to stress (Roche et al., 2014). Psychological acts as a mediator between stress management and wellbeing, as it is the coping ability of the employee to deal with the stress that generate ideas to solve problem and maintain well-being (Rabenu et al., 2017). Therefore, there is a lack of research studies which study relation of stress management, work-life balance with employees' well-being, and psychological capital act as mediator and moderator.

Research Hypotheses

Based on the literature review this study would empirically test the following hypotheses:

- H1: There is a positive relationship between stress management and employee well-being.
- H2: There is a positive relationship between work-life balance and employee well-being.
- H3: Psychological capital mediates the relationship between stress management and employee well-being.
- H4: Psychological capital mediates the relationship between work-life balance and employee well-being.
- H5: Psychological capital moderates the relationship between stress management and employee well-being.
- H6: Psychological capital moderates the relationship between work-life balance and employee well-being.

Conceptual Framework

This chapter includes the relationship of each variable and explains how each variable impact each other through visual diagram.

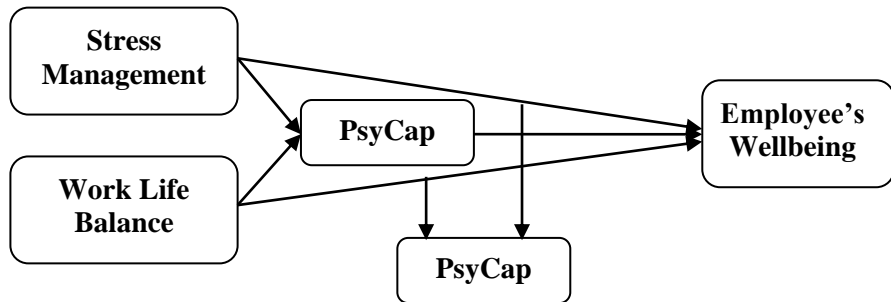


Figure 1: PsyCap as Mediator and Moderator

Increase in the stress and work pressure and the changes in the organizational structure have increased the importance of work-life balance, and stress management. It has been observed that high job stress decreases the work-life balance. Stress management avoids stress and results in the fruitful production of the individual and keeps him happy and healthy. Stress management has a positive impact on the employee and when the employee gets stressed it greatly impacts the employee's well-being (Kumar & Suresh, 2022), which shows direct relationship of employee well-being and stress management.

Psychological capital is a personal resource that helps in the growth including factors like self-confidence to deal with the challenge, have positive expectations for success, having hope, and resilience to solve the problems. It has the power to counter stress (Gautam & Pradhan, 2018). It means those who have high PsyCap can better manage work and family and their work-family conflicts reduces and they are better able to manage wellbeing (Rincon et al., 2020).

Methodology

Population and Research Design

The data has been collected from employees working in software houses of Lahore. Non-probability sampling is used in which convenient sampling and snowball sampling is used. Questionnaire with close-ended questions was employed and respondents choose the responses to the given statement on the scale. This research is cross-sectional with deductive approach which is considered a good approach in such studies (Bryman, & Harley, 2018).

Research Instrument

The study employed the research instrument developed by Siegrist et al. (2004) for stress management, and work-life balance tool of Boxall and Macky (2014). The tools for employee well-being and PsyCap were taken from Stewart Brown (2009) and Lorenz et al. (2016) respectively.

Data Analysis and Findings

The survey questionnaire was distributed in five different top private software houses in Lahore, Pakistan. 270 questionnaires were distributed among the participants. Out of the total questionnaire 241 were found complete in all respects and were analyzed. For data analysis, SPSS was employed.

Table 1: *Demographics*

Demographics	Descriptions	Frequency	Percentage
Gender	Male	171	71%
	Female	70	29%
Age	20-30	73	30.3%
	31-40	103	42.7%
	41-50	55	22.8%
	Above 50	10	4.1%
Education	Intermediate	0	0%
	Graduation	162	67.2%
	Master's Level	79	32.8%
Experience	Less than 1 year	8	3.3%
	1 year	54	22.4%
	2 years	116	48.1%
	More than 3 years	63	26.1%

Reliability Analysis

To check the reliability of the data set or the internal consistency Cronbach's alpha is used. In other words, reliability tells to which degree data is measured consistently. This Cronbach's alpha coefficient is used mostly in questionnaire and surveys where a Likert scale is used. The Cronbach's alpha value is accepted between 0.5 to 0.7. value greater than 0.8 is considered more significant (Nunnally & Bernstein, 1994). The value of Cronbach's alpha coefficient for stress management is 0.728. So, all the items used for stress management are reliable. Cronbach's alpha for work-life balance is 0.603 which shows that all items are reliable and interrelated. The coefficient value for employee well-being is 0.644 which also shows the satisfactory level of reliability. The consistency for PsyCap is 0.760 which is also reliable.

Correlations

Table 2 illustrates the correlation statistics of the data.

Table 2. *Correlations Statistics*

Variables	1	2	3	4
SM	1.00			
WLB	0.037*	1.00		
EW	0.283**	0.243**	1.00	
PsyCap	0.135*	0.423**	0.407**	1.00

SM and EW: A significant positive correlation ($r = 0.283$, $p < 0.01$) exists between stress management and employee well-being. These findings suggest that individuals who actively manage stress experience higher levels of well-being.

WLB and EW: A strong, positive correlation ($r = 0.525$, $p < 0.01$) exists between work-life balance and employee well-being. This confirms that achieving a healthy work-life balance is associated with higher levels of well-being.

SM and PsyCap: A significant positive correlation ($r = 0.135$, $p < 0.01$) exists between stress management and psychological capital. This finding suggests that individuals with higher levels of PsyCap may be more likely to engage in effective stress management practices.

WLB and PsyCap: A significant positive correlation ($r = 0.423$, $p < 0.01$) exists between work-life balance and psychological capital. This suggests that individuals with higher levels of PsyCap may be better equipped to achieve a healthy work-life balance.

EW and PsyCap: A significant positive correlation ($r = 0.407$, $p < 0.01$) exists between employee well-being and psychological capital. This finding aligns with previous research highlighting the positive association between these two constructs.

Overall, these findings suggest that stress management, work-life balance, and psychological capital are interrelated and contribute to employee well-being. However, it is important to remember that correlations do not imply causation. Further research is needed to explore the underlying mechanisms and causal relationships between these variables.

Regression Analysis

If we want to apply regression analysis three basic assumptions must be fulfilled. (Barron & Kenny, 1986). First, there must be a relationship between dependent and independent variables. Table 3 shows that SM has a correlation with EW i.e. 0.283, $p < 0.01$. So, the first condition is fulfilled. The second condition is that the independent variable should have a significant relation with the moderating variable. Table 3 reveals that SM has a correlation with PsyCap with the value of 0.135 and $p = 0.01$. So, the second condition is also

satisfied. The third condition is that moderating and dependent variables should also have a significant relation which is also seen in table 2 with 0.407 and a significant value of 0.00. After ensuring the benchmarks, regression analysis was undertaken to check the mediation.

Table 3: *Regression Analysis*

Hypotheses		R square	P	Result
SM-WLB	0.145	0.29	0.01	Accepted
SM-EW	0.199	0.80	0.00	Accepted
WLB-EW	0.164	0.059	0.00	Accepted

The result shows that SM has a positive impact on WLB (B = 0.145, p = 0.01) and EW (B = 0.199, p < 0.01) which accepts the first and second hypotheses of the research. Similarly, WLB also has a positive impact on EW (B = 0.164, p = 0.00).

Moderation Analysis

Table 4. *Statistics Regarding Moderation Analysis of ST and PsyCap*

Variables	M1 ()	M2 ()
Step 1		
SM	0.57**	
PsyCap	0.33**	
R square	0.63	
Step 2		
SM x PsyCap		0.21**
R square		0.64
XR square		0.01

The table 4 illustrates the significant value of SM x PsyCap. So, Psycap moderates the relationship between stress management and work-life balance.

Table 5. *Statistics Regarding Moderation Analysis of WLB and PsyCap*

Variables	M1 ()	M2 ()
Step 1		
WLB	0.55**	
PsyCap	0.33**	
R square	0.172	
Step 2		
WLB x PsyCap		0.16**
R square		0.174
XR square		0.002

The table 5 shows the significant value of WLB x PsyCap. This means that PsyCap moderates the relationship between work-life balance and employee well-being.

Table 6. *Statistics Regarding Moderation Analysis of ST and PsyCap*

Variables	M1 ()	M2 ()
Step 1		
SM	0.24**	
PsyCap	0.41**	
R square	0.28	
Step 2		
SM x WLB		0.14**
R square		0.29
XR square		0.01

The table 6 shows the significant value of SM x WLB which means that there exists moderation between the variables. Based on Tables 4, 5, and 6, it can be concluded that the empirical data support the proposed hypotheses.

Mediation analysis

PsyCap mediates the association between stress management and employee well-being.

Table 7. *Hierarchical regression for mediation*

Variables	M1(B)	M2(B)	M3(B)
<u>Control Variables</u>			
Gender	-0,04	-0.02	-0.02
Age	0.12*	0.11	0.12
Education	-0.04	-0.03	-0.04
Experience	0.04	0.01	-0.01
R square	0.02		
<u>Independent variables</u>			
Stress management		0.164**	0.19
R Square		0.06	
XR square		0.04	
<u>Mediating Variables</u>			
PsyCap			0.29**
R square			0.15
XR square			0.09

This study examines the mediating role of PsyCap between SM and EW through the 3 steps hierarchical regression method where in the first step all the demographic variables are added to control their effect in the second step

independent variable was added and noted their significant impact. In model 2 the value of beta is $B = 0.164$, $p < 0.01$ which is significant, and in model 3 the value of mediating variable is $B = 0.29$, $p < 0.01$ which is also significant so this model is fully mediating, and hypothesis is accepted which states that PsyCap is a mediating variable between SM and EW.

PsyCap mediates the association between work-life balance and employee well-being.

Table 8. *Statistics Regarding Mediation Analysis*

Variables	M1(B)	M2(B)	M3(B)
<u>Control Variables</u>			
Gender	-0,04	-0.04	-0.04
Age	0.12*	0.12	0.14
Education	-0.04	-0.04	-0.06
Experience	0.04	0.04	0.04
R square	0.02		
<u>Independent variables</u>			
Work-life balance		0.007**	0.013
R Square		0.03	
XR square		0.01	
<u>Mediating Variables</u>			
PsyCap			0.26**
R square			0.09
XR square			0.06

This study examines the mediating role of PsyCap between WLB and EW through the 3 steps hierarchical regression method where in the first step all the demographic variables are added to control their effect in the second step independent variable was added and noted their significant impact. In model 2 the value of beta is $B = 0.007$, $p < 0.01$ which is significant, and in model 3 the value of mediating variable is $B = 0.26$, $p < 0.01$ which is also significant so this model is fully mediating, and hypothesis is accepted which states that PsyCap is a mediating variable between WLB and EW.

These findings highlighted the important role of PsyCap in promoting employee well-being. Organizations aiming to improve employee well-being should consider interventions that foster both PsyCap development and effective stress management and work-life balance practices.

Discussion

This study investigated the hypothesized direct relationship between stress management and work-life balance. The results confirm a significant positive correlation between these variables ($r = 0.37$, $p = 0.01$). Additionally, stress management demonstrated a positive correlation with Psychological Capital (PsyCap) ($r = 0.135$, $p = 0.01$). Regression analysis further strengthens these findings, confirming the positive impact of stress management on work-life balance ($B = 0.145$, $p = 0.01$).

Employees who effectively manage stress report better work-life balance. This aligns with previous research by Bella et al. (2012) who found that high job stress increases work-life conflicts and disrupts balance. This imbalance arises when stress hinders effective management of both work and personal responsibilities, negatively affecting concentration and increasing pressure (Shagvaliyeva & Yadanifard, 2014).

This study also looked into at the moderating role of PsyCap in the relationship between stress management and work-life balance. The findings supported the hypothesis which reflect that employee with higher PsyCap resources (self-efficacy, hope, optimism, resilience) benefit more from effective stress management in achieving better work-life balance. Such resources equip individuals to better cope with stress, utilize stress management techniques effectively, and navigate work-life demands (Rabenu et al., 2017).

It has been hypothesized in this research that stress management has a direct relationship with work-life balance. The results show that there is a significant relationship between stress management and work-life balance. Correlational test is performed to check the correlation between stress management and work-life balance, the results show significant positive correlation between these two variables ($r = 0.37$, $p = 0.01$). Stress management also shows positive correlation with psychological capital ($r = 0.135$, $p = 0.01$). Regression analysis is performed to check the impact of stress management and work-life balance, the results show positive impact of stress management on work-life balance ($B = 0.145$, $p = 0.01$). This means that those employees who can manage their stress maintain their work-life balance and the employees who are stressed at work are not able to manage their work-life balance. The stress that is caused by work impacts an employee's personal life and disrupts his work-life balance.

This finding is also consistent with the findings of Bella et al; (2012). This means that employee with high stress would not be able to manage other work responsibilities which put pressure on him and he would not be able to do his office work with full concentration and it will increase work-life conflicts and decrease work-life balance. And according to Shagvaliyeva and Yadanifard

(2014), stress is negatively related to work-life balance which ultimately shows that stress if managed is directly related to work-life balance.

Also, the employee's psychological capital helps him to better cope with stress and maintain work-life balance. The employees coping ability depends on the resources available and these resources include self-efficacy, hope, optimism and resilience and the employees who have high resources are better able to cope with stress (Rabenu et al; 2017).

This study confirms a significant positive correlation between stress management and employee well-being ($r = 0.283$, $p < 0.01$), echoing previous findings that chronic stress negatively impacts mental and physical health (Kumar & Suresh, 2022). Our results delve deeper by exploring potential mechanisms underlying this relationship. The significant correlation with PsyCap suggests that individuals with higher psychological resources, such as hope, optimism, and resilience, are better equipped to utilize stress management techniques effectively, leading to improved well-being. This aligns with Rabenu et al.'s (2017) findings, where PsyCap resources act as buffers against stress's negative impacts. Future research could explore specific stress management interventions and their targeted effects on diverse employee populations to further elucidate these mechanisms.

This study is believed to have to the quality of understanding regarding PsyCap's moderating role in the stress management-well-being relationship. The significant positive correlations between PsyCap and both stress management ($r = 0.135$, $p = 0.01$) and well-being ($r = 0.407$, $p < 0.01$) indicate that PsyCap resources amplify the positive impact of effective stress management on well-being. Individuals with higher PsyCap are likely to utilize coping strategies more effectively, maintain a positive outlook, and experience greater resilience in the face of stress (Okun, 2022).

The study illustrated a strong significant relationship between two constructs, stress management, and employee wellbeing. Correlational test is performed and the results show that stress management is positively correlated with employee well-being by showing significant value ($r = 0.283$, $p < 0.01$). Stress management and employee well-being both are positively correlated with PsyCap and give significant results ($r = 0.135$, $p = 0.01$) and ($r = 0.407$, $p < 0.01$) respectively. Regression analysis shows positive impact of stress management on employee's wellbeing by showing positive significant value ($B = 0.199$, $p < 0.01$). If the employee is stressed, it will impact his mental and physical health that causes anxiety, depression, irritation, panic attacks and other heart and blood pressure issues. Employee with ill-being will not be properly able to manage their work, it will cause anxiety in the employee and he will not be able to manage stress (Kumar & Suresh, 2022).

Stress management techniques are used to eliminate the bad effects of stress on the employees to promote well-being. (Holman et al; 2018). Psychological Capital of the employee helps him to maintain their well-being by developing positive characteristics in the individual, and by protecting their mental well-being through different programs that will promote subjective well-being. It focuses on the strength of the person rather than the weaknesses (Okun, 2022). So, employees who have high PsyCap are better able to deal with stress and enjoy well-being.

This study establishes a significant positive correlation between work-life balance & employee well-being ($r=0.525$, $p<0.01$), confirming the hypothesis that maintaining this balance is crucial for employee health and happiness. The findings align with previous research by Fotiadis et al. (2019) who found that work-life imbalance increases stress and hinders task completion, ultimately impacting well-being. Findings revealed that employees with good work-life balance report feeling optimistic about their future, valued by their company, mentally relaxed, and better equipped to solve problems. These findings suggest that work-life balance fosters positive psychological experiences, likely due to reduced stress, increased control over personal time, and a stronger sense of purpose.

Similar to stress management, PsyCap appears to moderate the relationship between work-life balance and well-being. The significant positive correlation between PsyCap and both work-life balance ($r = 0.423$, $p < 0.01$) and well-being ($r=0.407$, $p<0.01$) suggest that individuals with higher PsyCap resources benefit more from good work-life balance. Such resources, like optimism and hope, might enable individuals to navigate work-life challenges effectively and extract greater well-being benefits from balanced schedules.

The findings of this study exhibit that employees with high PsyCap exhibit better stress management and work-life balance. They are more optimistic, resilient, and hopeful, enabling them to navigate challenging situations and effectively manage their time. This aligns with previous research highlighting the role of PsyCap as a coping mechanism that helps individuals deal with work-life conflict and its associated stress (Babic et al., 2017). Furthermore, moderation analysis confirms that PsyCap moderates the relationship between stress management and both work-life balance and employee well-being. In other words, these findings support the notion that PsyCap empowers individuals to leverage stress management techniques more effectively, ultimately leading to improved well-being (Sen & Hooja, 2015).

These findings are in line with the previous research that looked into the detrimental effects of stress on employee health and well-being, including reduced ability to cope with challenging tasks (Culbertson et al., 2010). However, our findings also reveal that employees with higher levels of

PsyCap demonstrate greater resilience in managing stress, ultimately leading to improved well-being. The positive link between PsyCap and well-being is supported by existing literature (Fredrickson, 2009). Individuals with higher PsyCap, characterized by optimism, hope, resilience, and self-efficacy, are better equipped to handle stressful situations and maintain a positive outlook. This, in turn, reduces the risk of psychological issues like anxiety and depression, ultimately promoting well-being.

The inability to manage work and personal demands leads to overtime, stress, and anxiety, ultimately disrupting well-being. Conversely, employees who effectively leverage PsyCap resources, characterized by optimism, confidence, resilience, and hope, are better equipped to navigate work-life demands, reducing stress and fostering well-being. These are also in line with Asian research highlighting the positive association between PsyCap, work-life balance, and well-being (Siu, 2013). Employees with dedicated time for personal interests, exhibiting optimism, confidence, resilience, and hope, report higher well-being. They demonstrate mental calmness, a clear vision, problem-solving abilities, and optimism, further illustrating the moderating role of PsyCap in promoting well-being through effective work-life balance and stress management.

Conclusion

The present research explored employee coping strategies for stress, specifically examining the interplay between stress management, work-life balance, and employee well-being. We investigated the moderating role of psychological capital (PsyCap), a personal trait enabling individuals to navigate stressful situations, maintain work-life balance, and achieve well-being. Notably, PsyCap comprises four key resources: hope, efficacy, resilience, and optimism.

Our findings underscore the critical importance of stress management and work-life balance for employee well-being. We demonstrate that PsyCap effectively moderates the relationships between these factors, acting as a buffer against the negative effects of stress and facilitating work-life balance. Individuals with higher PsyCap exhibit greater proficiency in managing stress and achieving work-life equilibrium, ultimately leading to enhanced well-being. This reinforces the notion that psychologically capable employees are better equipped to handle stress, achieve work-life balance, and experience higher levels of well-being.

In conclusion, the study underscores the importance of promoting PsyCap development in organizations. By fostering optimism, hope, resilience, and self-efficacy among employees, organizations can empower them to manage

stress effectively, maintain a healthy work-life balance, and ultimately experience greater well-being.

Practical Implications

Many employees struggle with balancing work and personal life, leading to stress and negatively impacting well-being. PsyCap acts as a buffer against stress and facilitates work-life balance. Investing in PsyCap development through workshops and training based on Luthans et al. (2006) empowers employees to manage these challenges effectively. Higher PsyCap leads to better stress management, work-life balance, and ultimately, improved employee well-being. Senior managers and HR professionals can leverage PsyCap assessments to predict how well employees can manage stress and maintain work-life balance. This information can be used to develop targeted interventions and improve overall well-being strategies.

Our findings offer valuable insights for organizations within the software industry. Recognizing the significance of PsyCap, organizations can implement targeted strategies to cultivate and bolster this positive psychological resource in their employees. This proactive approach fosters resilience, optimism, and efficacy, empowering employees to handle demanding workloads while maintaining healthy boundaries between work and personal life. Ultimately, prioritizing PsyCap development leads to a more sustainable workforce with enhanced well-being, reduced stress, and improved work-life balance.

Academic Contributions

This study contributes to existing literature by exploring the impact of psychological capital (PsyCap) on stress management, work-life balance, and ultimately, employee well-being within the specific context of software houses. Given the unique pressures and demands this environment presents, employees often struggle to achieve balance, leading to detrimental impacts on their well-being. Furthermore, this research emphasizes the interconnectedness of stress management, work-life balance, and employee well-being. By neglecting any of these crucial aspects, organizations risk incurring the negative consequences on employee health and overall well-being. This knowledge underscores the importance of holistic approaches that address both individual and organizational factors to cultivate a thriving work environment.

Limitations and future directions

This research provides valuable insights into the role of PsyCap in software houses, but acknowledges some limitations that inform future research avenues. The study's gender composition was skewed towards males, limiting its generalizability. Future research should strive for balanced representation

to ensure findings accurately reflect the experiences of both genders in software companies. Investigating only five software houses restricts the generalizability of findings. Expanding the sample to other diverse companies within the IT industry would enhance the study's representativeness.

While focusing on IT experts provided valuable insights, excluding other departments like marketing and human resources limits the study's scope. Future research could investigate the impact of PsyCap across various departments within software houses to gain a more comprehensive understanding. While the study effectively demonstrates the link between PsyCap, stress management, work-life balance, and well-being, future research could benefit from incorporating additional variables like job satisfaction, job burnout, and work-life conflicts. Exploring these variables alongside PsyCap can provide a more nuanced understanding of how to improve employee well-being in software houses.

Overall, this research has valuable implications for both employees and organizations within software houses. By acknowledging and addressing the limitations identified, future research can build upon these findings and provide even more comprehensive insights into promoting employee well-being in this demanding industry.

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