# HOW TO APPLY POSITIVE PSYCHOLOGY AT THE WORKPLACE





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## 1. INTRODUCTION

Over the last recent decades, many Human Resources managers have argued about the relationship between happy/satisfied employees and productive ones. But not only that, there has been considerable discussion and emphasis in recent years placed on expanding the applications of positive psychology (see Aspinwall & Staudinger, 2003; Carr, 2004; Compton, 2005; Kauffman & Scoular, 2004; Makamura & Csikszentmihalyi, 2003; Selingman, 2003).

Numerous studies prove how Positive Psychology demonstrates to be of great help in the human potential development of the company, making real evidences about how to stand out and distinguish the company in its own scope. However, Positive Psychology has become an enormous field deeply studied in the last few decades, which encompasses multiple branches and areas of study. It must be recognised that there are many positive constructs in organizational research applicable to the business area perfectly valid. A few examples of them are Positive Affectivity, mainly PA, positive reinforcement, job satisfaction and commitment, or core self-evaluations.

Nevertheless, since the aim in this paper is to delve into the areas that enhance the professional performance of the employees, I will mainly focus in Positive Organizational Behaviour and Psychological Capital. This new shift in emphasis to people's strengths rather than their weaknesses and introducing some new positive Organizational Behaviour concepts can certainly help to contribute to more effective managers and human resources.

In this way, Organizational Behaviour researchers Luthans and Church have found that constructs such as positive reinforcement and positive affect, positively oriented employee attitudes, and even humour have a significant impact on performance. However, we have found a need for more research efforts, interventions, and programs directed at enhancing human well-being and optimal functioning in an effort to expand the evidence base about effectively developing positive human strengths.

In recent times, Human Resources Management has focused on the development of positive characteristics and experiences that satisfy three main agents, the customer, employees, and the company. But Human Capital has always been known for its changeable and subjective nature, so we asked ourselves here if there are ways to improve the betterment of this relationships resulting in an outcome for the company. Do each group pursue their own interests or do they share a common link through which may all of them could obtain benefit and improvement?

However, to further complexity, workplace is increasingly becoming a place where survival, let alone success, needs higher-than-average performance (Avolio & Luthans, 2006; Sutcliffe & Vogus, 2003). Workplace changes (often complex and difficult to unravel) are affecting employee behaviour and what is more important, employee performance. Although work in today's organizations is becoming more fluid and less bound by space and time – thanks mainly to technological advancement – we do not certainly know if this is an advantage or a disadvantage in the harsh work environment in which we found ourselves. On one hand, it will make easier for both the HR manager and the employee, to develop their positive capabilities to increase their own satisfaction and ultimately, the company profit, since positive work behaviour has statistically significant relations to employee performance. On the other hand, the existing legal framework does not assure the employees' future in the organization and the strong and constant competence makes even harder for them to find a suitable and well-paid job.

In this study, I will analyse how employees work in their competitive capabilities, and how do they work in their competitive capabilities, in order to achieve the best suitable. Organizations seek for capable and efficient workforce, and this way their clients feel more inclined to buy products and services from a company with a strong and developed Human Resource Management system. This will lead to the companies to invest in their staff through repeated interventions into employee strengths and talents, flow, group cohesion, morale, commitment, trust, growth, mastery and well-being (Avolio & Luthans, 2002a; Turner, Barling & Zacharatos, 2002).

Luthans and Church affirm that Positive Organizational Behaviour applies both to leader/manager to development and Human Resources development. In particular, POB is directly applicable to leadership development through organized programs and/or on the job. The same is true for HR development, which can be administered either through formal training programs or through the employees' leaders on the job.

Since today's employees are finding themselves in a turbulent environment, companies need higher-than-average performance, it requires a development of **positive psychological capabilities**, defined as human attributes, strengths or virtues that can be developed, managed and measured. These can be measured and developed through Positive Organizational Behaviour, namely **POB**, and Psychological Capital, commonly known as **PsyCap**. More specifically, we can highlight how PsyCap and POB make a conspicuous contribution to the company growth by applying defined values that promote the enlargement of their workers and, in the medium term, the improvement of the company performance.

The leading question here is how we can **apply these techniques** to all kind of companies, included the small and medium-sized businesses.

Nowadays, in the changing environment of the workplace and with all the facilities for HR managers and also for employees, new HR methods are possible even for the smaller companies. The major difficult would be to relate the outcomes of the factors and its implementation towards different goals of improvement and betterment of a company. However, as difficult as this may seem, there are some examples of these dynamics.

Preskill and Donaldson (2008) affirm that career development is now generally viewed as a partnership between the individual and the organization. This led Human Resources managers to design and implement a wide variety of programs and activities in order to find a balance between these two worlds, the "professional and competitive" one, and the "well-being and learning and improving skills" other. Specific criteria of being positive, unique, measurable, capable of learning, developing, and manageable skills are needed for performance improvement.

It is essential to have into account that particularly these businesses, and generally all of them, are in the hands of its employees, i.e. depend on them. For example, a bad decision made by the employee or even an attitude merely restricted to meet the minimum requirements of his position endanger the survival of the company. On the other hand, an employee willing to improve, able to think "outside-the-box" and seek the best way to cope with their work under general guidelines, create a competitive advantage for the company, giving it a remarkable recognition in the industry.

Seen the relevant importance of these questions due to the essential needs of the companies for proactive employees, capable to learn and develop positive psychological capabilities, I will consider how to implement this capabilities in the employees' background becoming them partners able to perform a wide variety of tasks and decisions. A number of best practices have been proposed as effective ways for attracting and managing talent, including job design, pays and benefits, growth opportunities, work-life balance programs, and others (e.g. Barnett & Hall, 2001; Johnson, 2004; Lance, 2005, Olson, 2003). However, I will suggest specific courses of actions, tasks and practices that should been taked into account for the managers and leaders in order to create and improve these psychological capabilities in their employee's for the betterment of both them and the organizations.

Therefore, the purpose of this paper is to provide a framework to understand the two main theories about Organizational Behaviour applied into the company; analyse their

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capabilities and how to develop them along with some techniques to create and implement these capabilities; suggest other ones that should also be taken into account and outline the outcomes and benefits that the application of these systems provide.



## 2. POSITIVE ORGANIZATIONAL BEHAVIOUR

Contrary to what it might be thought, the application of positive psychology to the workplace as Positive Organizational Behaviour (POB as follows), does not simply aims to "give a renewed emphasis to the importance of a positive approach".

Luthans, Youssef and Avolio (2007) affirm that POB is committed to a scientific approach for inclusion and for accumulating a sustainable, impactful body of knowledge for leadership and human resources development and performance influence.

Having said that, we must outline what Luthans (2002) determine the theoretical foundation for **POB** as "the study and application of positively oriented human resource strengths and psychological capabilities that can be measured, developed, and effectively managed for performance improvement in today's workplace".

More concretely, Youssef and Luthans (2007) settled two main criteria to define a psychological capacity:

- a) The capacity must be theory and research based and validly measurable.
- b) The capacity must also be "state-like" and have a demonstrated performance impact.

The main difficulty here would be settling the correct psychological capabilities for each company, since at first glance they are not obvious, noticeable nor concrete. However, in the medium and long term, some characteristics may be seen that outline a great company performance. These must be delimited and fostered to a correct POB application in order to achieve the betterment of the company.

Furthermore, when discussing about positive capabilities in POB we must distinguish between positives "states" (see Avolio & Luthans, 2006; Luthans 2002a, 2002b; Luthans & Youssef, 2007a; Luthans, Youseff et al., 2007) - momentary and thus very changeable -, and positive "state-like" (Youssef & Luthans, 2007). These last tend to be more stable and to not change with each momentary situation as would the more "pure" states such as positive moods. Empirical evidence made by Stajkovic and Luthans studies (1998) prove that supported states and state-like constructs have a relationship with an impact on organizational behaviours and outcomes. Furthermore, preliminary research carried out by Luthans, Avolio, Avey, and Norman (2007) indicate that state-like positive psychological resource capabilities exhibit lower (yet still significant) test-retest correlations than do trait-like personality and core self-evaluations dimensions.

With respect to their applications and fundamental evidence into the organizations, there is also beginning empirical evidence that the POB capabilities of organizational participants can be developed in short (e.g. 2 hours), highly focused training interventions (Luthans, Avey, Avolio, Norman & Combs, 2006).

At this point, it becomes a relevant question why POB is that important and how it can help to improve our human capital.

POB define some of the most important characteristics, desired and effective for the behaviour of our employees, which actually causes or contributes to a performance improvement of the actual tasks and duties of the employee. Moreover, it prevents the company from future problems as a consequence of the "anticipative measures for incoming opportunities through focusing on positive psychological capabilities and virtues that are actually quite common in good leaders, followers and their organizations" (S. J. Peterson, 2000; Sheldon & King, 2001; Snyder & Lopez, 2002).

POB also provides opportunities for understanding the impact of organizational strategies on human behaviour in the workplace. Its application enables employees to understand "the work they do, their colleagues, those for whom they work, and those who work for them". This recognition will lead into stronger team efforts, bond creation between the teamwork and a **feeling of belongingness** to the company. I personally find this sense of fulfilment vital both for the company and for the employee. Employees should feel part of a team, work to accomplish their own objectives, the specific ones of the team and the general ones of the company. The feeling of being part of a team and how the whole team succeed rewards them with a sense of achievement as a whole. It is also crucial how all the individual and group efforts are recognized to each member.

Regarding to their capabilities, POB inclusion criteria outlines what we would call the HERO capabilities: hope, efficacy, resilience and optimism.



# 3. PSYCHOLOGICAL CAPITAL

The second tool for this analysis that we find absolutely necessary is Psychological capital (PsyCap as follows). Luthans defined PsyCap as "one's positive appraisal of circumstances and probability for success based on motivated effort and perseverance." Psycap is also based on "state-likes" and open to change and development as compared with largely fixed traits such as personality – it can be modified by training interventions too.

Price-Jones defined PsyCap as "the mental resources that you build when things go well and draw on when things go badly". These resources include resilience, motivation, hope, optimism, self-belief, confidence, self-worth, and energy.

From a more theoretical perspective, **PsyCap** can be defined as "an individual's positive psychological state of development and is characterized by: 1) having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; 2) making a positive attribution (optimism) about succeeding now and in the future; 3) persevering towards goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and 4) when beset by problems and adversity, sustaining and bouncing back and even beyond (resilience) to attain success" (Luthans, Youssef & Avolio, 2007). This definition also includes the HERO capabilities, which are shared between these two theories. Positive psychological capabilities help employees to develop their effectiveness, give them the ability to prevent problems and also help them to improve their performance.

At this point, it would be interesting to highlight the concept of **synergy** that applies to this area as follows: the whole Psychological Capital may be greater than the sum of its parts (self-efficacy, optimism, hope, and resilience). Thus, is significant to recall how these concepts work together in order to create a bigger profit for both the individual and the company.

In fact, is a useful tool for Human Resources managers, who attempt to match people and skills so that they will complement and thrive off each other when they build the different teams of the company. Entire discreet processes and whole teams are frequently combined or integrated to achieve results that surpass what the groups could have achieved as separate entities.

Developing synergic capabilities has been prove as an inflection point that usually leads to a higher plane of thinking, bonding the whole company and pointing it in the same

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direction. This also helps and boost employees by staying focused and developing an organizational mindset. Furthermore, it will increase their sense of ownership and attachment to the team and to the company, creating a feeling of comradeship, which will allow them to feel more comfortable and happy at the workplace.

From the opposite perspective, numerous studies show that average performance is "no longer adequate for sustainability in today's highly competitive environment" (Avolio & Luthans, 2006; Sutcliffe & Vogus, 2003). Much has been written on the exponential increase in the range, intensity and variety of challenges that organizations have to cope with nowadays. Indeed, the difficulty is not only located in finding creative sources of needed talent. Luthans, Youssef and Avolio explain it as "finding innovative ways of capitalizing on and developing human, social, and especially the psychological capabilities of human resources for sustained competitive advantage". Consequently, a number of best practices have been proposed as an effective way for attracting and managing talent. Useful examples would be job design (defining clearly the task and capabilities for every position), pay and benefits (rewarding the accomplishment of the company goals), growth opportunities (offering the employees possibility to grow in capabilities, in responsibilities and in positions), work-life balanced programs (allowing them to balance their personal and professional life), and others.

Goodwin and Wilkinson (2005) perfectly express the reality and difficulties in this exigent world in which we find ourselves (as professionals who need constant renovation and learning) by stating the following: "meeting and exceeding performance requirements in today's hypercompetitive environment are becoming increasingly difficult as organizations vie for the same pool of talented human resources, especially with readily accessible information flows across orgs and even industries". Further challenges are encountered as the precise requirements of highly specialized jobs and the diverse needs of talented employees call for customization and an increased emphasis on person-organization fit (Ng & Burke, 2005; Trank, Rynes, & Bretz, 2002).

From this selfish position, which states that neither employers nor employees are willing or able to sustain their mutual commitment and loyalty for extended periods of time. Thus, employees and customers are less and less inclined to make deep, lasting commitment to their companies. Nowadays, also technological and communication advances avail employees in their tendencies to run away. Companies unable to count on their employees are more likely to fail at discerning and mastering possible marketplace directions.

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Therefore, it becomes of vital importance the role of the university in order to contact both the companies and the future employees, by letting them know each other and create bonds that will benefit both. These companies want to work with formed employees, and they aim to train them in the professional area. Since the student is learning, it can be shaped to fit in the company culture and scope. Unfortunately, many of these companies also tries to take advantage of these bonds, seeing the students as cheap and exploitable workforce. Employees find themselves used for the own benefit of the company, without learning and without possibilities to become part of it. It turns evident that these kind of relations will not be sustainable nor profitable for each part.

In this light, it appears to be clear that the best places to work are no longer those that promise lifetime employment but, rather, those that provide their participants with the opportunities, resources, and flexibility for sustainable growth, learning, and development. Today's talented employees are looking for employers that can contribute to sustaining their career progress, either within or beyond the specific organizational context.

Sustainable competitive advantage can best be accomplished through context-specific, cumulative, renewable, and thus hard-to-imitate factors, even given the continued presence of traditional material resources (Ducker, 1994; Luthans & Youssef, 2004).

In this new psychological contract, employees are expected to take charge of strategic management of their own careers or, in essence, take ownership. This self-management involves keeping their skills and competencies current in relation to their employer has needs, as well as making strategic move across employers when necessary.

Employees should feel responsible for a particular target and experience feelings of concern for the target, which in this case can be their job or their organization (Parker, Wall, & Jackson, 1997).

Trainings can be set up around each POB and PsyCap factor (as it will be analysed) and also around a combination of them. As a given example, allowing trainees to experience success, get plenty of practice, observe relevant models, and receive positive feedback could all enhance their positive efficacy and resulting performance.

## 4. THE HERO CAPABILITIES

Having stated these two theoretical models, we would explain the HERO capabilities that both of the theories consider, along with some advice to introduce and set them in the employees background in order to increase their efficacy and effectiveness in the development of their tasks to give them the ability to better achieve the goals from the company.

#### 4.1. <u>Hope</u>

From the POB and PsyCap point of view, **hope** is a positive motivational state and cognitive process that reflects an individual's determination to plan and achieve goals, in other words, "the belief in one's capacity to initiate and sustain actions" (Luthans, F., Youssef, C. & Avolio, B., 2007).

Thompson, Lemmon and Walter (2015) defined hope as "the centrality of goals and the belief of the individual in the ability to reach goals". In other words, believing you can set goals, figure out how to achieve them, and motivate yourself to accomplish them. The feelings of hope connect to employees' assessment of work method, decision-making autonomy, and feedback quality to their engagement. The authors stated that if the individuals feels in control of environment or their own ability to influence a course of action; then they could be an agent to affect this action. If they feel that they have no power on the situation, they would feel desperate and give up on achieving their goals. Thankfully, they also think that the person's individual belief that different courses of action are possible and under the control of the individual to reach a particular outcome.

Snyder (1994) defined hope as "the sum of the mental willpower and way power that you have for goals". More specifically, Snyder, Irving & Anderson (1991) defined hope as "a positive motivational state that is based on an interactively derived sense of successful (1) agency (goal-directed energy) and (2) pathways (planning to meat goals)". According to the author, hope has a positive impact on academic achievement, athletic accomplishment, emotional health, and the ability to cope with illness and other hardships. The high-hope workers tend to be more certain of goals and feel challenged by them; value progress towards goals and also the goals themselves; enjoy interacting with people and readily adapt to new and collaborative relationships; and are more adaptive to changes.

Afterwards, Luthans, Youssef and Avolio (2007) divided hope in three mental components: willpower, way power and goals. The agency (or willpower) and pathways (or way power) components of hope make it particularly relevant to the emphasis in

today's workplace on self-motivation, autonomy and contingency actions. Luthans and Church (2002) state a renewed concept of hope by affirming that "is not only seen as the individual's determination that goals can be achieved but also the person's belief that successful plans can be formulated and pathways identified in order to attain the goals". Luthans research studies find that managers' measured level of hope is significantly related to their units' profitability and the satisfaction and retention of their employees (Giacalone & Jurkiewicz, 2003).

Furthermore, although not yet directly established in workplace applications, related research have found a significant relationship between hope measures and work-related goal expectancies, perceived control, self-esteem, positive emotions, coping and achievements (Wanberg, 1997). Studies from Kirk and Koeske (1995) affirm that there are evidences that "those with hope in stressful professions such as human services perform better and survive with the most satisfaction, are less emotionally exhausted and are most likely to stay".

In this light, it becomes clear that hope is a desirable psychological capacity in the work because hopeful employees experience and exude positive emotions, prefer challenging goals, value progress towards goals, enjoy interacting with others, and are more adaptive to change than those with low hope (S.J. Peterson & Luthans, 2003; Snyder, 2000; Snyder et al., 2002). They also find them to be friendlier, happier, and more confident.

Leader behaviours can strongly influence employees feeling of hope in their traineeship. Specifically, leadership actions that clearly communicate performance expectations that have been developed in a way that are reflective of an individual employee's talents and capabilities will bolster hope. Thompson, Lemmon and Walter (2015) suggest actions that structure a task environment that allows for both interdependence and independence provides employees with a perception that they have control over the ways and means of reaching goals.

Some specific practices applicable in the workplace would be obtaining goal acceptance and commitment through participation and involvement; determining specific goals; clarifying goals and dividing the long-term strategies in several sub-tasks simpler and shorter; developing alternatives and different ways to achieve goals; and conducting mental rehearsals of important upcoming events.

The hopeful person believes there are a will and a way to succeed, or in other words, where there is a will, there is a way.

## 4.2. (Self) Efficacy

From the POB and PsyCap perspective, **self-efficacy** is defined as "an individual's conviction (or confidence) about his or her abilities to mobilize the motivation, cognitive resources, and courses of action needed to successfully execute a specific task within a given context" (Stajkovic & Luthans, 1998). In other words, "one's beliefs or perceptions about his or her ability to successfully accomplish specific objectives within a given context". Meta-analytical findings from these authors support a highly significant positive correlation between such self-efficacy and work-related performance. This make obvious how important is self-efficacy to the professional learning and development since research has shown that it is related to human performance in the workplace.

Thompson, Lemmon and Walter (2015) defined efficacy as "the levels of the confidence that an individual has in his or her ability to complete a task or take a specific action". Luthans, Youssef and Avolio, (2007) go one-step beyond and define efficacy as a way to underlay each of our capabilities to engage in activities and in motivation that we have based on the probability that we believe we will be successful in our endeavours.

General self-efficacy is also a trait-like, i.e. stable over time and across situations. The self-efficacy process can positively affect human functioning before individuals select their choices and initiate their efforts. (Luthans and Church, 2002). How they perceive or believe they can use these abilities and resources to accomplish the given task in this context. A positive evaluation/perception leads to the expectation of personal efficacy, which in turn leads to positive choices, motivational efforts and perseverance.

As if this high performance is not enough, positive efficacy can also play a vital role in other important human performance determinants such as goals aspirations and the perceived opportunities of a given project. Locke and Latham (1990) outlined that the level of goal selected, the amount of effort expended to reach the selected goal, and the reaction and perseverance when problems are encountered in progressing toward the goal can all be greatly affected by positive efficacy.

Albert Bandura develop four sources of efficacy beliefs:

- Mastery Experiences are the first and foremost source of self-efficacy. Nothing is more powerful than having a direct experience of mastery to increase selfefficacy. In order to have a resilient sense of self-efficacy employees must acquire experience in overcoming obstacles through effort and perseverance.
- Vicarious Experiences are the second source of self-efficacy. It comes from our observation of people around us, especially people we consider as role models.

Seeing people similar to ourselves succeed by their sustained effort raises our beliefs that we too possess the capabilities to master the activities needed for success in that area.

- Verbal Persuasion refers to influential people in our lives can strengthen our beliefs that we have what it takes to succeed. Being persuaded that we possess the capabilities to master certain activities means that we are more likely to put in the effort and sustain it when problems arise.
- Emotional & Physiological States allude to the state you are in will influence how you judge your self-efficacy. Stress reactions or tensions are interpreted as signs of vulnerability to poor performance whereas positive emotions can boost our confidence in our skills.
- Imaginal Experiences stated by Maddux a psychologist that suggested a fifth route to self-efficacy – make reference to the art of visualising yourself behaving effectively or successfully in a given situation.

In order of importance, Luthans and Church (2002) determine that self-efficacy can be specifically developed through mastery experiences of performance attainments; vicarious positive experiences or modelling; positively oriented persuasion; and/or physiological and psychological arousal. For the POB approach, each of the sources of efficacy is highly malleable and can contribute to learning and development. The authors affirm that self-efficacy has a relatively established body of knowledge as to its applicability and significant impact on work-related performance. In Bandura's words, "How well one can execute courses of actions required to deal with prospective situations."

Bandura strongly emphasize that self-efficacy is the most pervasive and important of the psychological mechanisms for positivity. Locke (2000) explain it as follows: "Unless people believe that they can produce desired effects and forestall undesired ones by their actions, they have little incentive to act. Whatever other factors may operate as motivators, they are rooted in the core belief that one has the power to produce desired results." In addition, research evidence carried out by Luthans and Church suggests that positive efficacy and considerable confidence can also directly affect positive thought patterns and resistance to stress.

Self-efficacious people are distinguished by setting high goals for themselves and show own interest into difficult tasks, welcoming and thriving challenge, usually being highly self-motivate, investing the necessary effort to accomplish their goals and persevering when facing obstacles, not giving up. These five characteristics, deeply based in Bandura's (1986, 1987, 1997, and 2001) equip high-efficiency individuals with the capacity to develop independently and perform effectively, even with little external input for extended periods of time.

Key processes during this type of learning are observation, imitation, and modelling which as such involve attention, memory, and motivation). People learn through observing others' behaviour, attitudes, and outcomes of those behaviours. Most would agree that confidence, or as more precisely used in psychology the term self-efficacy, is a leader and human resource strength that has the psychological capacity for development and effective performance management (Luthans and Church, 2002).

Bandura has categorized three specific training modalities for enhancing employee efficacy: guided mastery (helping employees to become successful at their tasks), cognitive mastery modelling (enhancing employees decision-making and problem solving on their own), and self-regulatory competences (developing employees self-monitoring, self-efficacy appraisal personal goal settings and self-motivating incentives).

Positive efficacy also has implications for self-managed teams, job design, goal setting, and leadership. It applies these concepts by enhancing positive efficacy to facilitate productive teamwork and collective efficacy of self-managed teams; using job designs to provide more responsibility, challenge and personal control; and setting goal progress and attainment.

Thompson, Lemmon and Walter (2015) founded that employees feel comfortable with their task and employees feel that they are working toward specific goals and are masters of their task. Feedback quality, robust training opportunities, and leadership task support all had a significantly positive relationship with feelings of efficacy. Bass (1990) also affirms that self-efficacy characterizes the high performer in almost every situation. Confident leaders serve as positive role models who enhance the self-efficacy of their followers.

"Your beliefs become your thoughts. Your thoughts become your words. Your words become your actions. Your actions become your habits. Your habits become your values. Your values become your destiny." (Gandhi)

## 4.3. <u>Resilience</u>

From the POB and PsyCap point of view, **resilience** is the capacity to be robust under conditions of enormous stress and change (Coutu, 2002) to bounce back for negative events (Tugade & Frederickson, 2004), and to maintain positive adjustment under challenging conditions (Sutcliffe & Vogus, 2003).

Luthans (2002) defined resilience as "the developable capacity to rebound or bounce back from adversity, conflict, failure or even positive events, progress, and increased responsibility". It is a term used to explain why, when confronted with life's hardships, some people snap, while others snap back. Masten (2001) defines a resilient person as the one who still works toward a desired outcome in spite of serious threats, setbacks, or maladjustments.

Thompson, Lemmon and Walter (2015) developed several judgements that the subject makes related to their continued efforts. One of them is their assessment of the risk associated with the effort. Another one relates to the individual's ability to cope with the risk and navigate his or her efforts to persistence in the face of threats to reaching the goal.

After experiencing a disturbing event, setback, disruption, hardship, or crisis, a resilient individual recovers quickly, becoming stronger in the process (Bonnano, 2004; Isaacs, 2003). Flach (1988) affirms that resilient people tend to have similar qualities including optimism, confidence, sense of humour, positive emotions such as gratitude and love, a social support system, and the belief that life is meaningful, all of which they tap to triumph over challenges. Lifetime employment, seniority-based human resources practices, union-negotiated working conditions, and attitudes of entitlement have given way to what has been termed "career resiliency" (Waterman, Waterman, & Collard, 1994).

In order to thrive in these turbulent, changing times, both employees and employers need agendas that correspond to each other in realizing their mutual potential. Both companies and their employees must continually adapt and resiliently search out the potential opportunities within ongoing changes. We can think of how a company needs its workforce to jump on board of its organizational initiatives for change. The best way for companies to accomplish this is by infusing their organizations' procedures and policies with resiliency. As a result, most employees try to carry out the company policies and procedures, and when their resilience is high; employees readily endorse and adopt

company changes. However, whether their resilience is low, employees may only stay on board for the job security and income.

Maddi and Khoshaba (2005) affirm that employees and employers sharing a common ground in beliefs increases the overall company resilience of the individual employees. Resilient employees and employers call upon enduring beliefs and values to find meaning in hardship. In the other way (vice versa), resilient companies have a preference for selecting and training employees to be resilient in order to ensure they are proactive, innovative, enabled, and successful.

A leader can influence their resiliency through providing the resources or support that aid an employee's ability to continue during more trying conditions (Thompson, Lemmon & Walter, 2015). Leaders can create an environment of psychological safety, that is, a work environment where failure is not desired. They can provide task support when needed such that the employee feels as though there is an outside resource that he or she can draw in times of need. The authors suggest that task and social resources from the manager have a clear connection with feelings of resiliency.

Maddi and Khoshaba (2005) characterizes four main areas in which managers should influence to become a resilient company.

- <u>Culture</u>; by creating an attitude of commitment through valuing cooperation with each member of the team. Also enhancing an attitude of control by taking group responsibility for their own actions. Another useful action would be promoting an attitude of challenge by valuing creativity and the search for innovative problem solutions.
- <u>Climate</u>; by interacting with each other, employees are expected to extend to others, and will want for themselves, assistance and encouragement, thereby really functioning as a team.
- <u>Structure</u>; by organizing employees into teams, each devoted to change-oriented projects, in order to facilitate rapid discernment and fulfilment.
- Workforce; instrumental in these functions is the use of assessment procedures to select the resilient job applicants and training to enhance the resilience of existing employees. Despite the continually changing workplace, resilient people stay at companies high in resilience because they feel appreciated, valued and understood.

Resilience is knowing that you are the only one that has the power and the responsibility to pick yourself up.

## 4.4. <u>Optimism</u>

From the POB and PsyCap perspective, **optimism** is a positive psychological capital that organizations can measure and manage for performance improvement and competitive advantage (Luthans & Youssef, 2004; S. J. Peterson, 2000; Schneider, 2001; Schulman, 1999).

Seligman (1998) defines optimism as the expectancy of positive outcomes and causal attributions that for negative events are external, temporary, and specific; and for positive events are internal, stable, and global. According to him, optimism is an attributional style that explains positive events in terms of personal, permanent and pervasive causes, and negatives events as external, temporary and situation-specific.

Optimism is similar to hope in the way that optimistic and hopeful people have positive mindsets and believe that things will turn out as desired. Snyder (1995) fixes the difference by stating that hopeful people go a couple steps further in contemplating what they need to do and then following through achieve their goals.

Luthans, Youssef and Avolio (2007) set of relevant importance the realistic (Schneider, 2001) flexible (Peterson, 2000) optimism, which equips organizational leaders and employees with the ability to discern when to use optimism versus pessimistic explanatory styles, as well as the capacity to adapt those styles realistically to the situations at hand.

Optimism is one's perception of the probability of a positive outcome. Peterson (2000) does not sees it as a simply cold cognition: "If we forget the emotional flavour that pervades optimism, we can make little sense of the fact that optimism is both motivated and motivating". Furthermore, is a well known and widely discussed positive psychological capacity linked to individual and work place performance including high morale, perseverance, effective solving, achievement, and health (S. Peterson, 2000; C. Peterson & Steen, 2002; Schneider, 2001; Seligman, 1998b).

Optimists are easily motivated to work harder because they are more satisfied and have high morale. Luthans and Church (2002) affirm that they also asses higher levels of aspirations and set stretch goals for themselves. They persevere and face obstacles and difficulties, analysing their personal failures and setback as temporary, not as personal inadequacies. Instead, they view them as one-time unique circumstances; and tend to make one feel upbeat and invigorated both physically and mentally. Leaders should supply the necessary support, equipment, and social connections in order to create a task atmosphere in which the employee feels success is most likely.

Thompson, Lemmon and Walter studies (2015) shows that leaders can promote discussion of goals, rather than make unilateral goal decisions. The setting of goals by leaders should be more reflective and based on the employee's capabilities, and with a view into improve and develop the other ones that they want employees to assess. Employees must feel that they control their own destiny or else the positive outcome may never be realized. Employees, who work intensely on a task, devoting critical emotional, physical, and cognitive resources to their work, do so with the understanding that a positive outcome will be realized from their efforts.

Wanberg (1997) suggest that optimism training for management on the job could follow specific guidelines. These are identifying self-defeating beliefs when faced with a challenge, evaluating the accuracy of the beliefs (the trainees or managers on the job should be encouraged to dispute their beliefs by proving them incorrect, selecting the least damaging cause thereby placing less blame on self, being realistic about implications, and assessing the usefulness of holding the beliefs. Once dysfunctional beliefs are discounted, they should be replaced them with more constructive and accurate ones.

Optimism is the faith that lead to achievement. Nothing can be done without hope and confidence.



## 5. ADDITIONAL CAPABILITIES

We find relevant for this study to add some capabilities that should also be developed in order to increase the performance of the employee in the company. It may also be necessary to thrive and boost some of the following since they are crucial key elements in every company that wants to outstand in the market.

## 5.1. <u>Meaningfulness</u>

Human being needs **meaningful** work to thrive. By finding meaning in their jobs, employees will be more focused on their tasks and goals, they will commit less mistakes, therefore they will improve their efficiency, and they will feel more rewarded and happier with the achievements they get at their jobs. When you like what you do each day, you are apt to draw on skills and talents that express your nature, even in doing the most seemingly unimportant tasks. Human beings have the unique ability to utilize activities, like work, for creative expression and fulfilment of life purpose and meaning.

Maddi and Khoshaba (2005) propose three ways for the employees to find meaning at work:

- Developing strong work relationships; by nurturing the work relationships so they feel socially satisfied and accepted as a member of a team. We find this a decisive aspect in the development of a company, since nowadays all types of jobs need teamwork; strengthen the bonds between the members of the team will become working a lot easier and cheerful. A vital practice is making outdoors activities, for example, in my previous company we used to make races between teams and team meals where very common, as well as bringing some candies or cakes at work when it was someone's birthday. This quality of the work strongly enforced relationships and influences how meaningful work is to you. It produces both, productivity and satisfaction.
- Looking at the big picture by seeing how the job fit into a larger organizational context providing meaning in employee's work. As an example, if they learn more about their company's various department functions and procedures, they will feel deeper connected to the company as a whole since they know how the entire process is made in order to give value to the clients. In this way, they will feel their contributions to the workplace as more meaningful when they fully grasp the big picture through its parts. As an example, at the beginning of my internship I did a tour around all the departments in the company, having an explanatory talk about what was specifically done in each one and how this affected to the

achievement of the company goals. It becomes of great importance to know what exactly the company is doing and how, in order to facilitate and coordinate the tasks with other teams and work together seeking for the purpose of the company.

- Examining employees' own goals; by seeing how their job fit with their personal vision and purpose. When work satisfies them on a personal level, they are also more apt to see it as more meaningful. For example, in my previous work experience, I did not only perform general and repetitive tasks, but also I led my own projects aiming to improve the company little by little. Any steps, no matter how small, towards the betterment of the company deserve to be welcomed and supported.

Those who have a "why" to leave can bear with almost any "how"



## 5.2. Emotional Intelligence

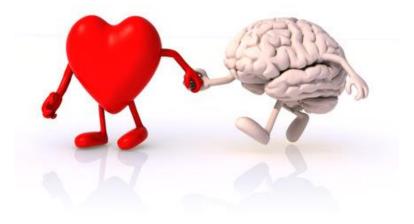
Salovey and Mayer (1989) define **emotional intelligence** (also known as EI) as "the subset of social intelligence that involves the ability to monitor one's own and others' feelings and emotions, to discriminate among them, and to use this information to guide one's thinking and actions." It is also known as the ability to perceive and express emotion, assimilate emotion in thought, understand and reason with emotion, and regulate emotion in self and others.

Goleman define EI as "a different way of being smart. It includes knowing what your feelings are and using them to make good decisions. In other words, is being able to manage distressing moods well and control impulses. It is also empathy; knowing what the people around are feeling. And it is social skills too - getting along well with other people, managing emotions in relationships, and being able to persuade or lead others". In short, it is commonly known as the capacity to recognize one's own emotions and those of others.

According to Luthans and Church (2002), EI is positive and relatively unique for OB, and there is enough supporting evidence that it can be measured, developed, and managed for performance improvement in today's workplace.

Higher El leaders are more likely to make better decisions, engage and influence more effectively, and create the right mood for the job. Luthans and Church studies (2002) about the El of organizational leaders has been found to have a relationship with creating harmonious relationships among work groups; creating and sustaining informal networks among workers; improving performance feedback to workers; and accounting for some of workers' organizational commitment.

"Educating the mind without educating the heart is no education at all." (Aristotle)



## 5.3. Engagement

Thompson, Lemmon and Walter (2015) set **employee engagement** as the complete cognitive, emotional, and physical immersion of the self in one's work, often touted as the pinnacle of positive employee attitudes. Kruse (2012) define employee engagement as the emotional commitment the employee has to the organization and its goals.

Engagement is a fulfilling psychological state characterized by vigour, dedication, and absorption in one's work (Macey & Schneider, 2008; Schaufeli et. al., 2002). Keating and Heslin (2015) affirm that when employees feel engaged, they experience their work as something to which they really want to devote time and vigorous effort; as a significant and meaningful pursuit to which they feel genuinely dedicated; and as sufficiently absorbing to concentrate their full attention.

Engagement is the emotional connection that employees feel toward their employment organization, which tends to influence their behaviour and level of effort in work related activities. The more engagement an employee has with his or her company, the more effort they put forth. Employee engagement also involves the nature of the job itself when employees feel mentally stimulated; the trust and communication connection between employees and management flows; the ability of an employee to see how their own work contributes to the overall company performance occurs; the opportunity of growth within the organization appears; and the level of pride an employee has about working or being associated with the company increases.

Kahn (1990) suggested that people are emotionally and cognitively engaged when they know what is expected of them, they have what they need to do their work, they are offered opportunities to feel an impact and fulfilment in their work, they perceive that they are part of something significant with co-workers whom they trust, and they have chances to improve and develop themselves and others.

Rutledge (2005) describes an engaged employee as a person who is fully involved in, and enthusiastic about their work. Engaged employees care about the future of the company and are willing to invest the discretionary effort – exceeding duty's call – to see that the organization succeeds. There is robust research to support this claim; Thompson, Lemmon and Walter (2015) affirm that higher levels of employee engagement lead employees to perform work of higher quality, to be more committed to the organization, and to be more likely to go above-and-beyond for the organization. As a result, organizations realize observable gains in productivity and employee replacement costs fall. Furthermore, engaged employees are more interested in and capable of forming strong connections with customers, as demonstrated in their studies that link employee engagement to lower customer attrition rates and higher customer spending rates.

To settle this capability in their employees, leaders must create job resources or features that improve employee's ability to reach goals or advance oneself, and improve engagement by providing a cognitive and emotional context for focusing on one have preferred work. Thompson, Lemmon and Walter (2015) advice leaders to focus on including opportunities such as mentoring, having a flexible work schedule, or functional training. Job demands that challenge an employee also improve engagement because the resources used to meet the demand are quickly regenerated via reaching the goal. Pushing employees to (but not past), their limit improves learning, efficacy, and resolve over time.

Analysed from a wider perspective, PsyCap may also be a pivotal and critical influence on engagement. Thompson, Lemmon and Walter (2015) find that employees with more resources are most capable of feeling engagement. PsyCap represents a form of capital that reflects internal resources, specifically positive psychological resources that one can draw from in order to succeed – not simply one's abilities in and of themselves, or resources provided by others. In this way, an active program to develop PsyCap in the organization will lead to strengthen the engagement between employees and the company because the organization will be demonstrating its concern about the employee and working to improve their emotional state.

"What you believe about employees come out in how you treat them. And how you treat them ultimately determines how effectively you engage them."



# 6. OUTCOMES

The result of the application of the above mentioned practices and techniques in the firm should not only have a benefit in both employee and the company, it should prove the evidence by being measurable and controllable. That way, managers will be able to decide on which capabilities should they perform and influence based in their results and the costs that they cause.

Furthermore, the integration of multiple indicators of work-related outcomes is more likely to capture overall performance and effectiveness in a broader, holistic sense (Harter, Schmidt, & Hayes, 2002; Harter, Schmidt, & Hayes, 2003), which is particularly relevant to positivity research (Roberts, 2006).

Youssef and Luthans (2007) suggest several potential outcomes, in addition to direct, objectively measured performance), such as productivity, work sampling, organizationally administered performance appraisals, merit-based salary increases, and rated performance by supervisors and self, have been explored as relevant to work-related outcomes in general and, more specifically, to the desirable performance impact that positive constructs can have in the workplace (see Luthans, Avolio, et. Al., 2005; Luthans, Avolio, et. Al., 2007; Wright, 2005).

Seen that traditional performance measures may be insufficient for measuring strategic performance; in this paper, I will quickly go through the benefits for the company, and I will specially focus on how these capabilities influence employee's happiness.

## 6.1. Job satisfaction

Job satisfaction is one of the most widely studied and measured constructs in the organizational behaviour and management literature. Interest in job satisfaction proceeds from its relationships to other substantial organizational outcomes including absenteeism, organizational commitment, turnover, and performance (Smith, 1992).

Locke (1976) defined **job satisfaction** as a pleasurable emotional state resulting from the appraisal of one's job or job experience. Research supports that positive personality traits such as conscientiousness and emotional stability are positively related to job satisfaction, which in turn is positively related to performance.

Job satisfaction has been supported as a predictor of organizational citizenship behaviour (Ilies et. Al., 2006; Konovsky & Organ, 1996; Organ & Konovsky, 1989; Organ & Ryan, 1995). Those with high organizational citizenship behaviours voluntarily go above and beyond the immediate tasks and short-term expectations often emphasized by the measured and rewarded aspects of typical conceptions of job performance. Most of the job satisfaction theories propose that it comes from one of three components. These include who the employee is, what their working environment is like, or what kind of conditions they work in (Pryce-Jones, 2010).

Lee (2000) distinguish that in terms of measurement, job satisfaction can be considered as a global feeling about the job or as a related constellation of attitudes about various facets of the job. The global approach is used when the overall attitude is one of interest. On the other hand, the facet approach is used when one wishes to find out which parts of the job produce satisfaction or dissatisfaction. The facet approach can be useful in that it can give organizations an opportunity to identify areas of dissatisfaction that they can improve upon (Spector, 1997). A job satisfaction facet can be related to any aspect of a job, including rewards, co-workers, supervisors, the work itself, and the organizational. According to Spector (1997), the facet approach can provide a more complete picture of an individual's job satisfaction than the global approach, because an individual can have different feelings about the various facets of the job. *Pleasure in the job puts perfection in the work*.



## 6.2. Organizational commitment

Like job satisfaction, organizational commitment is positively related to performance and organizational citizenship behaviour (Organ & Ryan, 1995). Commitment has also been found to be negatively related to tardiness, absenteeism, and turnover (Harrison et. Al., 2006). Organizational commitment has been identified as a critical factor in understanding and explaining the work-related behaviour of employees in organizations.

Most definitions of organizational commitment describe the construct in terms of the extent to which an employee identifies with and is involved with an organization

(Curry, Wakefield, Price, & Mueller, 1986). Steer (1977) defined **organizational commitment** as "the relative strength of an individual's identification with and involvement in a particular organization". Mowday et al. (1979) defined organizational commitment as "an affective response that moves beyond passive loyalty to an organization". Porter, Steers, Mowday, and Boulian (1974) identified three related factors of organizational commitment: (1) a strong belief in an organization's goals and values, (2) a willingness to exert considerable effort for the organization, and (3) a strong desire to maintain membership in the organization.

Lee (2000) remarks that organizational commitment focuses on attachment to the employing organization, while job satisfaction emphasizes the specific task environment where an employee performs his or her duties. Moreover, organizational commitment appears to develop slowly but consistently over time as employees think about their relationship with the organization. This type of commitment is less affected by day-to-day events in the workplace (Mowday et al., 1979).

Allen and Meyer (1991) classified three measurable states as components of organizational commitment. These include (1) affective commitment; related to emotional attachment, which refers to employees with strong affective commitment, who remain with an organization because they want to, (2) continuance commitment; which refers to those with a strong continuance commitment who stay because they need to, and (3) normative commitment; which refers to those with strong normative commitment who stay because they feel ought to.

"A learning organization is a group of people who are continually enhancing their capabilities to create what they want to create" (Senge)

#### 6.3. <u>Happiness or Subjective Well-Being</u>

From the POB and PsyCap point of view, **happiness** is generally viewed as a broader construct than job satisfaction nor organizational commitment. It encompasses positive cognitions, and emotions, that result in a subjective sense of well-being and general life satisfaction (Diener, 2000). This definition focuses not only on the individual but also on their role within a group, because that is where most of the work takes place.

Moreover, happiness has been found to be related to satisfaction with important life domains (Diener, 2000; Diener et. al., 1999) including being a predictor of job satisfaction. Youssef and Luthans (2007) prove that happiness is strongly related to productivity, both consistently and progressively. Happiness and life satisfaction have been found to be related to physical and mental health, personal striving, and coping with stress (Diener & Fujita, 1995; Emmons, 1992; Folkman, 1997; Fordyce, 1988). It is also in line with positive psychology and its emphasis on health, well-being, flourishing, and actualizing one's potential.

On the other hand, with the recent recognition of the important relationship between life and work with issues such as work-family balance, the impact of Subjective Well Being on organizational participants may receive increased attention (Luthans & Church, 2002). Luthans and Church (2002) affirm that **Subjective Well Being** (also known as SWB) is usually considered more comprehensive than happiness and involves people's affective (moods and emotions) and cognitive evaluations of their lives – their life satisfaction. There has been a movement away from who is happy to when and why people are happy and to what processes influence SWB.

SWB will affect and be affected by life-impacting workplace changes such as telecommuting, virtual offices and teams, the digital divide, the 24/7 global competitive environment, and work-family practices. (Luthans & Church, 2002). Both social relations and flow have been demonstrated to enhance people's SWB and lead to their improved performance.

In this specific field being analysing I find relevant to define what happiness at work is and how it influences the employees' outcome at the company. Pryce-Jones (2010) states that **happiness at work** is a mindset that allows employees to maximize performance and achieve your potential. They achieve this by being mindful of the highs and lows when working along with their co-workers. She affirms that the fundamental point of being happy at work is to enable employees to achieve their full potential and to make the most of the highs and manage the lows on the way. Being mindful allows employees to have perspective on a situation, which means they will manage it better, they will go through them easier and they will achieve their objectives more efficiently and successfully.

The author outlines the importance of the recognition of the "ying and yang" effect. Growth of any sort involves accepting that discomfort and difficulty are part of the process. Happiness does not mean that employees should not feel negative emotions at work. Those are emotions that will propel them to take different actions to get back on their happiness track. They are not to be avoided, but actively explored by employees on their career journey in order to achieve the understanding and betterment of the situations in which they occur.

According to her, there are five factors that measure happiness at work, also known as the 5 Cs, where each item has a powerful effect in workers happiness.

- Contribution; measures the effort employees make and their perception of it.
- Conviction; tests the motivation employees have whatever their circumstances are.
- Culture; indicates how well employees feel they fit at their work.
- Commitment; marks the extent to which employees are engaged to their works.
- Confidence; lines out the sense of belief employees have in themselves and their job.

The happier you are, the more productive you are.



## 7. CONCLUSION

As a conclusion, I will review the aim of the paper to see if it has been accomplished, mentioning the possible limitations of the models and giving a personal opinion from the entire work as a whole.

The objectives of the study were to find out how to manage POB and PsyCap in the workplace, to develop and suggest an integral approach to apply them in the work field and to control which benefits this applications bring to the company. We think that our explanation allow leaders to get a simple and deep glance of the two theoretical models in order to understand how do they work and how they can be applied in the workplace.

In addition, several practices and techniques applicable from Human Resources managers and leaders have been recommended, that vary in specification, from a wider perspective - to create a comprehensive plan applicable to the organization as a whole – to specific tasks and practices - that should be applied in the workplace by intermediate managers in their teams -.

I have asked too if these techniques were applicable to every kind of company, and if this was both beneficial for employees and the firm. Unfortunately, the possible implications that these models have are not always applicable to all types of organizations. From my point of view, it will be more suitable for services companies (the ones that deliver activities to their clients) since the customer service and treatment will be highly improved by the application of these roles, leading into an increase in the firm performance and market position.

In the framework of productive companies, I will outstand the applicability of the model to most of the leading technology firms, and also their recent but more and more common application to the industrial sector. Despitefully, not every company is willing to join these values. It may be harder to apply to established hierarchical companies in mature and/or endangered sectors (e.g., the primary sector).

It also has a lot to be with the mentality of the company and the leaders. As an example, usually the small and medium size businesses are led by one person or even by a family. Thus, it is understandable that they are not willing to take any risks in their leadership. Nevertheless, the application of Positive Psychology in this firms should become fundamental in order to boost their employees capabilities in a synergic way, since they need to be able to perform diverse and various tasks in the course of the day. Thankfully, there are beginning proof of companies that nowadays work in this different and beneficial way.

From the leader and employee perspective, I think it should be vital for both of them a good communication and a fair play of the instruments enabled to engage them. From the trainees' side, it should be considered of vital importance an adequate, complete and boosting traineeship through the company, allowing them to clear their minds through the knowledge of the specific area, the company culture and career development possibilities. This will led them to a deeper understanding of the professional world and set their minds into a particular field or working area. Nowadays true job satisfaction and happiness is about fulfilling employees' full potential, tapping into their own capabilities and making them feel they can make a difference. It is being motivated and remaining hopeful and optimistic when you have setbacks in working towards goals.

From the companies' side, I believe that they should notice that customer satisfaction starts with employee satisfaction. When they feel engaged to the organization's values, they develop a feeling of belongingness to the company and they perceive themselves valuable and valued for the firm, they will give their best in order to fulfil the objectives of the company in the best way. Also giving them challenges, which are what make life interesting, and the means to overcoming them is what make employees' work meaningful and efficient.

Although growing evidence reveals that positive psychological capabilities facilitate leader's ability to help their organizations to thrive and flourish, more study is needed to understand exactly how this facilitation occurs, especially in the workplace (Avolio & Gadner, 2005; Luthans & Youssef, 2004; Seligman, 2002M Snyder & Lopez, 2002).

In these terms, I understand that the aim of the paper has been achieved at a global level, answering all the questions that we have asked ourselves at the beginning. Now the courage of the company leaders is needed, in order to seek for an improvement in the organization and employees performance. It is fundamental to not only stay theoretical but to apply this knowledge into the workplace and observe how the outcomes increase. I firmly believe that whether these measures were put into practice, it would become in great benefit for the overall of the company for both, the holistic way and the specific one.

My personal opinion is that many goodness shall come from a world where companies are keen on the employees welfare, thus they will be rewarded with a boost in their organizational outcomes and both the workforce and client appreciation – specially needed in the harsh work environment nowadays. Furthermore, society in general

demands for this type of firms, they will not accept average performance, as firms will not accept either average performance employees. This world is leading to an understanding between (1) highly competitive employees, who seek for companies that value them; and (2) organizations that understand how comprehensive and varied the formation of their workforce is needed in order to outline in the market. I solidly trust in the greatness benefits that the application of these models should have in today's companies and more importantly, how crucial will become the development of employees' capabilities in the long term.



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