

**THE IMPACT OF EMPLOYEE PSYCHOLOGICAL WELL-BEING ON
PERFORMANCE QUALITY IN SRI LANKA'S APPAREL INDUSTRY: A CASE
STUDY OF SEETHAWAKA EXPORT PROCESSING ZONE**

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ABSTRACT

This study investigates the impact of employees' psychological well-being on performance quality in Sri Lanka's apparel industry, specifically within the Seethawaka Export Processing Zone. The apparel industry is characterized by high-pressure environments, demanding production targets, and long working hours, which often contribute to stress and burnout among operational employees. Understanding how psychological well-being influences performance in challenging contexts is crucial. The study is grounded in the PERMA model, which includes positive emotions, engagement, relationships, meaning, and accomplishment as key components of psychological well-being. The research begins by establishing the relevance of employee well-being to performance in the competitive apparel industry. This background highlights the need to understand how psychological well-being affects operational performance, given the demanding nature of the industry. The primary objective was to determine this impact, with specific questions addressing each PERMA component's influence on performance quality. A comprehensive literature review revealed the multidimensional nature of psychological well-being and its significant role in enhancing job performance. Data were collected from 375 operational-level employees using convenience sampling, and the analysis was conducted using SPSS software. The findings indicate a significant positive relationship between the dimensions of psychological well-being and employees' performance quality. Univariate, bivariate, and multivariate analyses further confirmed that positive emotions, engagement, meaningful relationships, sense of purpose, and accomplishment contributed significantly to improved performance outcomes. This study concludes that psychological well-being significantly affects performance quality in the apparel industry. Enhancing employee well-being through targeted interventions can improve productivity and overall performance. This research suggests that organizations should prioritize strategies that foster a supportive and fulfilling work environment to maximize employee potential and achieve organizational goals. Future research should consider longitudinal studies to better understand the causal relationship between psychological well-being and performance quality. Expanding the sample size and including diverse geographical locations can enhance the generalizability of the results. Incorporating objective performance measures and exploring the impact of specific well-being interventions can provide deeper insights into effective strategies for enhancing employee performance. This study underscores the importance of fostering a positive work culture to sustain high levels of operational efficiency and employee satisfaction.

Keywords: Positive emotion, engagement, relationships, meaning, accomplishment, apparel industry and employee performance