

**IMPACT OF PERCEIVED PSYCHOLOGICAL SAFETY ON JOB  
PERFORMANCE WITH THE MEDIATING ROLE OF EMPLOYEES'  
WELL-BEING: SPECIAL REFERANCE TO THE SELECTED BANKS IN  
BATTICALOA DISTRICT**



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## ABSTRACT

In the professional landscape of banking sector, where employees are frequently exposed to high-pressure environments and rigorous performance expectations, cultivating a psychologically supportive workplace has become critically important. Psychological safety enables employees to express concerns, share ideas, and take interpersonal risk without fear of negative consequences are the factors which are essential in a highly regulated and dynamic industry like banking. This study investigates the impact of Perceived Psychological Safety (PPS) on Job Performance (JP) with mediating role of Employees' Well-being (EWB). A quantitative research design was employed, and data were collected from 216 bank employees from the selected bank in Batticaloa district. Structured questionnaire was used as the method of data collection. In this study, the SPSS version 26 used to analyze the levels of variables, while relationship was measured by Pearson correlation, linear regressions for further mediation analysis. The results indicate that the level of perceived psychological safety, employees' well-being and job performance of the employees in the selected banks in Batticaloa district are in high level. The correlation analysis indicates that there is a strong positive relationship among all the variables in this study. The regression analysis indicates that combination of perceived psychological safety and employees' well-being has a strong, statistically significant impact on job performance while employees' well-being has a strong impact on Job performance than perceived psychological safety. Moreover, the results of mediation analysis indicate that employees' well-being partially mediates the association between perceived psychological safety and job performance in the selected banks in Batticaloa district. This study contributes a better understanding of psychological safety, employees' well-being and job performance. The results underscore the importance of cultivating psychological safe work environments in the banking sector, not only to support employee mental health but also to improve organizational outcomes. This study offers practical implications for bank managers and HR practitioners aiming to boost performance through targeted well-being and culture-building initiatives.

**Key words:** Perceived Psychological Safety, Employees' Well-being, Job Performance

## TABLE OF CONTENTS

ACKNOWLEDGEMENT .....	i
ABSTRACT.....	ii
TABLE OF CONTENTS.....	iii
LIST OF TABLES.....	vii
LIST OF FIGURES .....	ix
LIST OF EQUATIONS.....	x
ABBREVIATION.....	xi
CHAPTER - 1.....	1
INTRODUCTION .....	1
1.1 Background of the Study.....	1
1.2 Problem Statement .....	3
1.3 Research Questions .....	5
1.4 Research Objectives.....	5
1.5 Significance of the Study .....	5
1.6 Scope of the Study.....	6
1.7 Organization of Chapter.....	7
1.8 Chapter Summary.....	8
CHAPTER – 2 .....	9
LITERATURE REVIEW .....	9
2.1 Introduction .....	9
2.2 Justification for the Terms PPS and PS are Interchangeable .....	9
2.3 Perceived Psychological Safety .....	11
2.4 Job Performance.....	12
2.5 Employees' Well-being.....	14
2.6 Supportive Theories .....	15
2.7 Hypothesis Development .....	17
2.7.1 Perceived Psychological Safety and Job Performance .....	17
2.7.2 Perceived Psychological Safety and Employees' Well-being .....	18
2.7.3 Employees' Well-being and Job Performance.....	20
2.7.4 Mediating Role of Employees' Well-being .....	21
2.8 Establishing Relationships with Appropriate Research Models .....	22

2.9	Chapter Summary.....	25
CHAPTER - 3.....		26
CONCEPTUALIZATION AND OPERATIONALIZATION.....		26
3.1	Introduction.....	26
3.2	Conceptualization.....	26
3.3	Conceptual Framework.....	27
3.4	Definition of Key Variables.....	28
3.4.1	Perceived Psychological Safety.....	28
3.4.2	Job Performance.....	28
3.4.3	Employees' Well-being.....	28
3.5	Developed Hypothesis.....	29
3.6	Operationalization.....	29
3.7	Chapter Summary.....	31
CHAPTER – 4.....		32
RESEARCH METHODOLOGY.....		32
4.1	Introduction.....	32
4.2	Research Philosophy.....	32
4.3	Research Approach.....	33
4.4	Research Strategy.....	34
4.5	Methodological Choice.....	34
4.6	Time Horizon.....	35
4.7	Research Site / Area.....	35
4.8	Population of the Study.....	35
4.9	Sampling Technique.....	36
4.10	Sample Size and Sampling Framework.....	36
4.11	Method of Data Collection.....	37
4.12	Research Instrument.....	38
4.12.1	Personal Information.....	38
4.12.2	Research Information.....	39
4.13	Sources of Measurement.....	39
4.13.1	Method of Measuring Personal Information.....	39
4.13.2	Method of Measuring Research Information.....	41
4.14	The Pilot Studies.....	41
4.15	Validity and Reliability of the Instrument.....	42

4.16	Unit of Data Analysis.....	43
4.17	Method of Data Analysis.....	43
4.17.1	Objective One .....	44
4.17.2	Objective Two.....	44
4.17.3	Objective Three.....	44
4.17.4	Testing Hypothesis.....	44
4.18	Method of Data Evaluation .....	45
4.18.1	Univariate Analysis.....	45
4.18.2	Correlation Analysis .....	46
4.18.3	Regression Analysis.....	47
4.18.4	Mediation Analysis .....	48
4.18.5	Testing Hypothesis.....	50
4.19	Data Presentation.....	50
4.20	Ethical Consideration .....	51
4.21	Chapter Summary.....	52
CHAPTER - 5 .....		53
DATA PRESENTATION AND ANALYSIS .....		53
5.1	Introduction .....	53
5.2	Reliability Analysis.....	53
5.3	Demographic Data Analysis.....	54
5.4	Data Presentation for Research Information .....	56
5.4.1	Objective One .....	56
5.4.2	Objective Two.....	59
5.4.3	Objective Three.....	61
5.5	Hypothesis Testing.....	66
5.5.1	Hypothesis One .....	66
5.5.2	Hypothesis Two .....	67
5.5.3	Hypothesis Three .....	67
5.5.4	Hypothesis Four .....	67
5.6	Chapter Summary.....	70
CHAPTER - 6.....		71
DISCUSSION OF FINDINGS .....		71
6.1	Introduction .....	71
6.2	Discussion of Respondent's Profile .....	71

6.2.1	Gender of Respondents .....	71
6.2.2	Age of Respondents .....	71
6.2.3	Educational Level of Respondents.....	72
6.2.4	Experience of Respondents.....	72
6.2.5	Job Position of Respondents .....	72
6.2.6	Name of the Bank Where Respondents are Working .....	72
6.3	Discussion of Research Information .....	73
6.3.1	Discussion – Objective One .....	73
6.3.2	Discussion – Objective Two .....	74
6.3.3	Discussion – Objective Three .....	75
6.4	Hypothesis Testing.....	76
6.5	Chapter Summary.....	78
CHAPTER - 7 .....		79
CONCLUSION AND RECOMMENDATION.....		79
7.1	Introduction .....	79
7.2	Conclusion.....	79
7.2.1	Conclusion – Objective One .....	79
7.2.2	Conclusion – Objective Two .....	79
7.2.3	Conclusion – Objective Three .....	80
7.3	Contribution of the Study .....	80
7.4	Recommendations .....	81
7.5	Limitations of the Study and Direction for Future Research .....	82
LIST OF REFERENCES .....		83
APPENDIX – 1: QUESTIONNAIRE .....		91
APPENDIX – 2: THE OUTPUT OF DATA ANALYSIS .....		94