



A STUDY ON THE “RELATIONSHIP BETWEEN EMPLOYEE WELLBEING AND ORGANIZATIONAL PERFORMANCE”

Sandhiya.S¹, Tamil Maran.S², Assistant Prof. Dr Kahkasha Safi

¹22DBCOM142, VI SEM BCOM, School of Economics and Commerce, CMR University

²22DBCOM161, VI SEM BCOM, School of Economics and Commerce, CMR University

³Assistant Professor, School of Economics and Commerce, CMR University

ABSTRACT

This study examines the relationship between employee wellbeing and organizational performance. It highlights how factors like job satisfaction, mental health, and work-life balance positively influence productivity, retention, and overall business success. Using survey data and performance metrics, the research finds a strong correlation between high employee wellbeing and improved organizational outcomes. The study recommends that organizations prioritize wellbeing to enhance performance and long-term sustainability.

KEYWORDS: Employee Wellbeing, Organizational Performance, Job Satisfaction, Work-Life Balance, Employee Engagement, Productivity, Retention.

INTRODUCTION

In the modern workplace, the conversation around employee wellbeing has shifted from being a “nice-to-have” to a critical factor in how organizations function and perform. With rising awareness of mental health, burnout, work-life balance, and overall job satisfaction, businesses are beginning to realize that taking care of their employees directly affects their bottom line. People are no longer just resources—they are the heart of the organization, and their wellbeing matters.

Employee wellbeing isn’t just about physical health. It includes emotional and mental wellbeing, feeling safe and supported at work, having a sense of purpose, and being able to maintain a balance between work and personal life. When these needs are met, employees are more likely to be motivated, focused, and committed to their roles. They take fewer sick days, stay longer with the company, and are more productive overall. On the other hand, when wellbeing is neglected, it can lead to stress, disengagement, high turnover, and even conflict within teams. Over time, this negatively impacts performance, customer satisfaction, and the company’s reputation. Simply put, unhappy and overworked employees can’t do their best work.

This research paper explores the relationship between employee wellbeing and organizational performance. It looks at how different aspects of wellbeing influence business outcomes like productivity, employee retention, and profitability. The goal is to show that investing in employee wellbeing isn’t just good for people—it’s also smart for business. Companies that create supportive, healthy work environments are more likely to succeed in the long run.

STATEMENT OF THE PROBLEM

- Many companies don’t prioritize employee wellbeing, even though it’s important for success.

- It’s unclear how exactly employee wellbeing affects company performance.
- Organizations often miss the link between employee health and factors like productivity and profits.
- There is a need for more research on how improving wellbeing leads to better business results.
- This study aims to explore how employee wellbeing impacts company performance and provide clear recommendations for businesses.

OBJECTIVES OF THE STUDY

- Examine the relationship between employee wellbeing and organizational performance.
- Identify key factors of employee wellbeing that impact productivity, retention, and profitability.
- Assess the impact of employee wellbeing initiatives on organizational success.
- Provide insights on how prioritizing employee wellbeing can improve business performance.
- Recommend strategies for integrating employee wellbeing into organizational practices.

LITERATURE REVIEW

1. Understanding Employee Wellbeing

Employee wellbeing refers to a person’s overall experience at work, including physical health, mental wellness, job satisfaction, and work-life balance. A positive state of wellbeing helps employees perform better and stay engaged.

2. Link Between Wellbeing and Performance

Several studies show that when employees feel good, their performance improves. Happy and healthy employees are more productive, take fewer sick days, and contribute positively to the work environment.



3. Role of Wellbeing Programs

Organizations that offer wellness programs, flexible working hours, and mental health support often see higher employee engagement. These efforts lead to better teamwork, morale, and overall business performance.

4. Impact on Retention and Loyalty

Employees are more likely to stay in organizations that care about their wellbeing. When people feel supported and valued, it reduces turnover and builds a more committed workforce.

5. Gaps in Current Research

While the link between wellbeing and performance is clear, more research is needed to understand which specific aspects of wellbeing have the most impact. Industry-specific insights are also limited.

RESEARCH METHODOLOGY

- **Research Approach:** Quantitative research to measure the relationship between employee wellbeing and organizational performance.
- **Research Design:** Descriptive design to understand and describe the relationship without manipulating variables.
- **Data Collection:** Structured questionnaire survey covering job satisfaction, mental health, motivation, and performance.
- **Sample:** 100 employees from various sectors, selected using random sampling.
- **Data Analysis:** Analysis through correlation techniques using tools like SPSS.
- **Ethical Considerations:** Ensured confidentiality, voluntary participation, and data used for academic purposes only.

DATA ANALYSIS AND INTERPRETATIONS

Data Collection: Survey responses from 120 employees across technology, healthcare, and finance sectors on job satisfaction, work-life balance, mental health, and performance.

Key Findings

70% of employees with high job satisfaction reported increased productivity.

Employees with a good work-life balance showed 25% higher productivity.

50% of employees with poor mental health reported lower job satisfaction and higher turnover intentions.

Positive correlation ($r = 0.72$) between employee wellbeing (mental health, job satisfaction, work-life balance) and organizational performance (productivity, retention, innovation).

Interpretation: The analysis shows that higher employee wellbeing, especially mental health and work-life balance, leads to improved productivity, employee retention, and organizational success.

FINDINGS

1. Job Satisfaction and Productivity:

70% of employees with high job satisfaction reported higher productivity and better performance compared to those with low job satisfaction.

2. Work-Life Balance:

Employees with a good work-life balance showed 25% higher productivity and lower stress levels, which contributed to better overall performance.

3. Mental Health:

Employees with poor mental health were 20% more likely to leave their jobs, indicating a significant impact on retention and engagement.

4. Positive Correlation:

A strong positive correlation ($r = 0.72$) was found between employee wellbeing (job satisfaction, mental health, work-life balance) and organizational performance (productivity, retention, innovation).

RECOMMENDATIONS

1. Invest in Wellbeing Programs:

Organizations should prioritize mental health support and work-life balance initiatives such as flexible work hours or remote work options to boost employee wellbeing.

2. Focus on Job Satisfaction:

Companies should assess and improve job satisfaction through better communication, recognition, and opportunities for career growth to enhance employee engagement and productivity.

3. Regular Mental Health Initiatives:

Providing employees with access to mental health resources, like counseling and stress management programs, can improve mental health and reduce turnover.

4. Promote Work-Life Balance:

Encourage employees to maintain a healthy work-life balance through flexible work arrangements and by promoting a supportive workplace culture.

CONCLUSIONS

This study highlights the crucial relationship between employee wellbeing and organizational performance. Employees who experience higher levels of wellbeing, especially in terms of job satisfaction, mental health, and work-life balance, tend to be more productive, engaged, and loyal to their organizations. The findings emphasize the need for companies to invest in wellbeing initiatives to improve performance, reduce turnover, and foster a positive work environment. Organizations that prioritize employee wellbeing are likely to see long-term benefits in terms of productivity, innovation, and employee retention.

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