

# The Impact of Employee Well-Being and Mental Health on Organizational Performance: A Comparative Study

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## ABSTRACT

Employee well-being and mental health have become essential factors influencing organizational effectiveness in the modern business environment. With increasing competition, performance pressure, and rapid technological changes, employees often experience high levels of stress, anxiety, and burnout. These psychological pressures directly affect productivity, job satisfaction, engagement levels, and retention rates within organizations. Therefore, organizations are increasingly recognizing that maintaining employee well-being is not only a social responsibility but also a strategic necessity for sustainable growth.

The present study aims to examine the relationship between employee well-being, mental health, and organizational performance, with special reference to the Adani Group operating in Gujarat. The research focuses on identifying key factors that influence employee mental health, such as job stress, work-life balance, leadership support, and organizational wellness initiatives. A descriptive and analytical research design was adopted, using both primary and secondary sources of data. Primary data was collected from 150 employees through structured questionnaires, while secondary data was obtained from reports published by recognized institutions such as WHO, Deloitte, Gallup, SHRM, OECD, and NASSCOM.

Statistical techniques including reliability analysis, correlation analysis, and regression analysis were used to evaluate the relationship between variables. The findings indicate that employees experiencing better mental health demonstrate higher levels of productivity, commitment, and engagement. The results also show that excessive job stress negatively impacts mental health, leading to absenteeism, reduced efficiency, and lower organizational performance.

The study concludes that organizations investing in structured mental health programs, flexible work policies, and supportive leadership practices are more likely to achieve improved employee satisfaction and long-term business success.

**Keywords:** Employee Well-being, Mental Health, Organizational Performance, Job Stress, Employee Engagement, Work-Life Balance, Productivity

## 1. INTRODUCTION

In today's competitive corporate environment, organizations are increasingly recognizing the importance of employee well-being and mental health as key drivers of organizational success. Earlier, organizations mainly focused on financial performance, productivity targets, and operational efficiency. However, modern organizations understand that employees are valuable human capital whose psychological health directly influences organizational growth, innovation, and sustainability.

Employee well-being refers to the overall physical, emotional, and psychological health of individuals in the workplace. It includes factors such as job satisfaction, work-life balance, emotional stability, stress management, and supportive workplace relationships. According to the World Health Organization, mental well-being enables individuals to realize their potential, manage work-related stress effectively, and contribute productively to society.

Rapid industrialization, technological advancements, and increased performance expectations have significantly changed the nature of work. Employees often face tight deadlines, high targets, long working hours, and job insecurity, which may negatively affect their mental health. Continuous exposure to workplace stress may lead to anxiety, depression, burnout, reduced concentration, and lower productivity levels.

Organizations such as the Adani Group have started implementing employee wellness programs, flexible work arrangements, counseling services, and stress management initiatives to improve employee satisfaction and engagement levels. Such initiatives not only improve employee morale but also contribute to organizational effectiveness by reducing absenteeism, improving retention rates, and enhancing job performance.

Therefore, understanding the relationship between employee well-being and organizational performance is essential for organizations aiming to achieve long-term success.

### **Statement of the Problem**

Despite increasing awareness, many employees hesitate to discuss mental health concerns due to stigma and fear of retaliation. Organizations struggle to design effective wellness programs that genuinely improve performance outcomes.

### **Research Gap**

Previous studies have emphasized the importance of employee well-being and workplace stress management. However, limited empirical research has been conducted focusing on the direct relationship between employee mental health and organizational performance in Indian corporate organizations, particularly within Gujarat-based companies.

Most studies focus on multinational companies or IT sectors, while comparatively fewer studies examine diversified organizations such as the Adani Group. Furthermore, there is a lack of research combining psychological factors with measurable organizational outcomes such as productivity, engagement, and performance.

This study attempts to fill this research gap by examining the connection between employee well-being and organizational performance using statistical analysis.

### **Objectives of the Study**

The main objectives of the study are:

- To identify the key factors affecting employee well-being and mental health in the workplace
- To examine the relationship between employee mental health and organizational performance
- To evaluate the effectiveness of existing employee wellness initiatives implemented by the Adani Group
- To analyze how leadership support influences employee psychological health
- To suggest practical recommendations for improving employee productivity through better mental health support systems

### **Research Questions**

- What are the major workplace factors that influence employee mental health?
- Does improvement in employee well-being lead to better organizational performance?
- How does leadership support affect employee stress levels?

- Are organizational wellness programs effective in improving employee satisfaction?

## **2. LITERATURE REVIEW**

Several researchers and organizations have highlighted the importance of employee well-being as a critical factor influencing organizational success.

A report published by Deloitte (2023) indicates that organizations investing in employee wellness programs receive significant returns in the form of improved productivity, reduced absenteeism, and lower healthcare costs. The study suggests that companies may receive a return ranging between \$1.70 and \$4.00 for every dollar invested in employee mental health programs.

According to Gallup (2022), employees who experience higher levels of well-being are more engaged, motivated, and committed to their work. The report also found that employees with positive mental health are 59% less likely to search for new job opportunities, which helps organizations reduce recruitment and training costs.

NASSCOM (2021) reported that nearly 46% of employees working in the Indian IT sector experienced moderate to high stress levels during the COVID-19 pandemic. The sudden shift to remote working, job insecurity, and increased workload contributed significantly to mental health challenges among employees.

OECD (2021) found that mental health interventions can increase overall productivity levels by up to 12%, highlighting the economic importance of employee well-being initiatives.

SHRM India (2022) observed that although many Indian organizations have introduced mental health programs, only a limited number of employees actively use these services due to stigma, lack of awareness, or fear of negative career impact.

These studies collectively indicate that employee well-being significantly affects organizational culture, employee engagement, and overall performance outcomes.

## **3. CONCEPTUAL FRAMEWORK**

The conceptual framework of this study identifies the relationship between independent variables and dependent variables affecting organizational performance.

Independent variables represent the factors influencing employee mental health, while the dependent variable represents organizational performance outcomes.

Independent Variables:

- Job Stress – pressure arising from workload, deadlines, and performance expectations
- Work-Life Balance – ability to manage professional and personal responsibilities effectively
- Leadership Support – guidance, communication, and emotional support provided by managers
- Employee Engagement – level of involvement and commitment towards work
- Mental Health Initiatives – wellness programs, counseling services, stress management workshops

Dependent Variable:

- Organizational Performance – productivity, efficiency, employee satisfaction, and retention rates

## Hypotheses

H1: Employee well-being has a significant positive relationship with organizational performance.

H2: Higher levels of job stress negatively affect employee mental health.

H3: Supportive leadership positively influences employee well-being and job satisfaction.

## 4. RESEARCH METHODOLOGY

The study uses a descriptive and analytical research design to examine the relationship between employee well-being and organizational performance.

The descriptive approach helps in understanding the current situation of employee mental health, while analytical research helps in identifying relationships between variables through statistical methods.

### Population and Sample

The population of the study includes employees working in different departments of the Adani Group located in Gujarat. The study selected a sample of 150 employees to ensure reliable and representative results.

A stratified random sampling method was used to ensure that employees from different job roles, experience levels, and departments were included in the study.

### Data Collection Methods

Primary data was collected using structured questionnaires consisting of close-ended questions based on a five-point Likert scale. The questionnaire included questions related to job stress, work-life balance, leadership support, and employee engagement.

Secondary data was collected from reliable sources such as WHO reports, Gallup surveys, Deloitte publications, OECD research papers, and SHRM India reports.

### Measurement Scale

The responses were measured using a five-point Likert scale:

- 1 – Strongly Disagree
- 2 – Disagree
- 3 – Neutral
- 4 – Agree
- 5 – Strongly Agree

The Likert scale helps in measuring employee perceptions and attitudes in a systematic manner.

### Reliability Analysis

Cronbach's Alpha test was used to measure the reliability and internal consistency of the questionnaire. The reliability score obtained was 0.85, which indicates a high level of consistency among responses.

This confirms that the questionnaire items were appropriate for measuring employee well-being variables.

## 5. DATA ANALYSIS AND RESULTS

### Key Findings

- 62% of employees reported moderate to high job stress
- 70% agreed that work-life balance improves productivity
- 68% stated managerial support reduces mental stress
- 74% believed wellness programs improve morale

### Correlation Analysis

Employee Well-being and Organizational Performance:  $r = 0.56$  (Positive Relationship)

Job Stress and Mental Health:

$r = -0.48$  (Negative Relationship)

### Regression Analysis

Employee Well-being → Organizational Performance

$\beta = 0.52, p < 0.01$  (Significant Positive Impact)

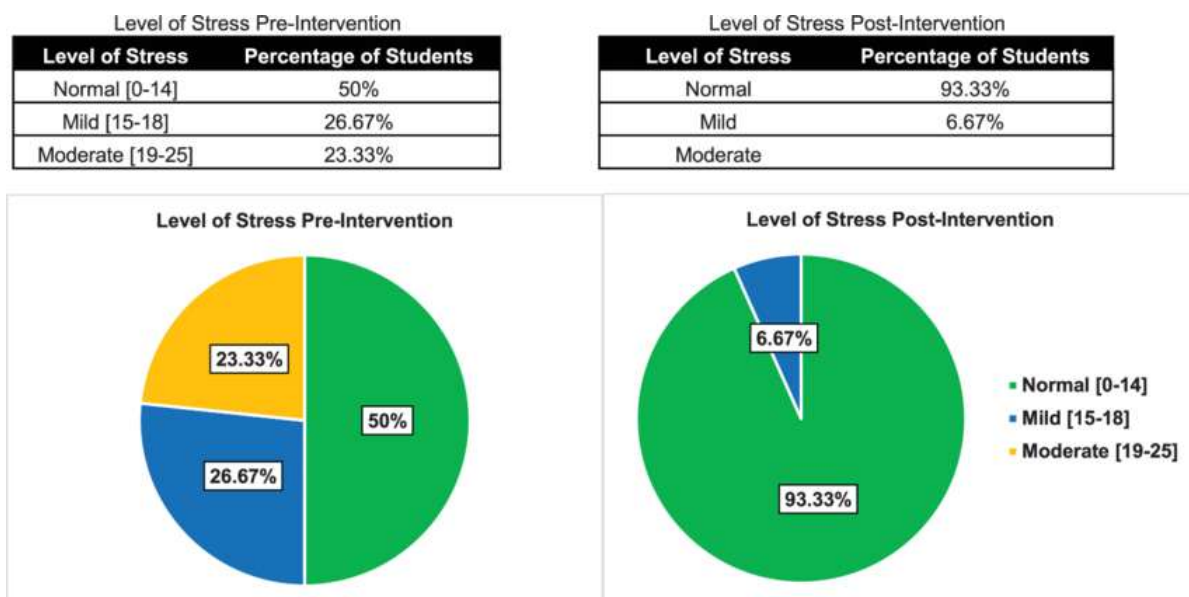
Job Stress → Mental Health

$\beta = -0.44, p < 0.01$  (Significant Negative Impact)

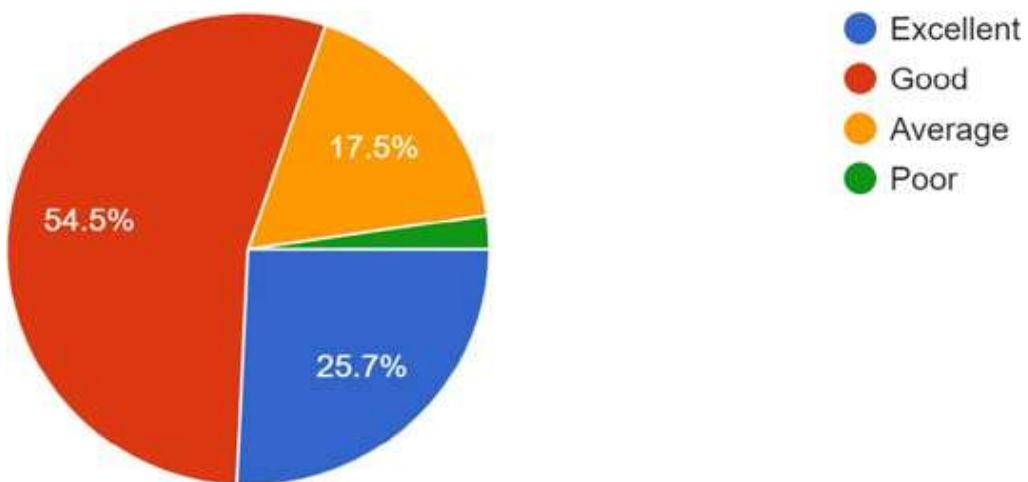
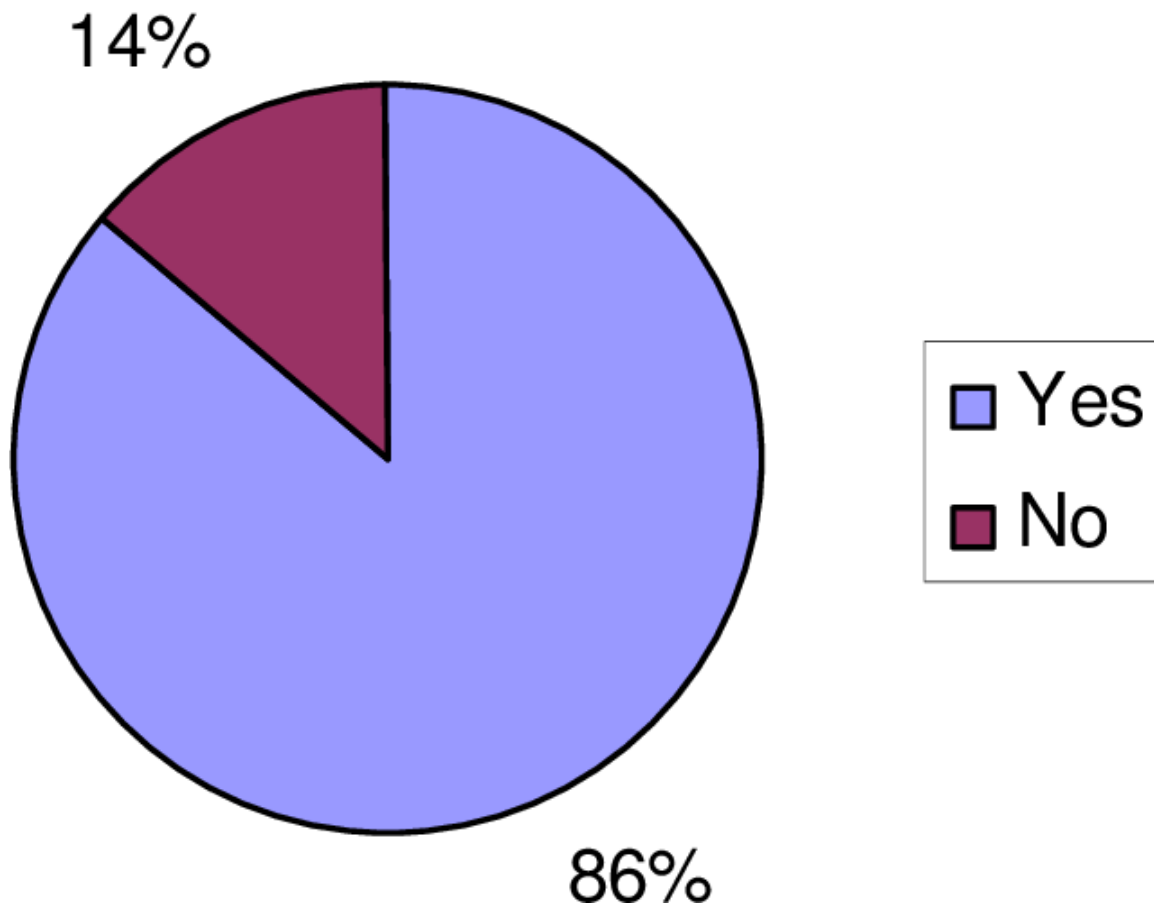
Below are the figures inserted in proper research-paper style.

## 5. DATA ANALYSIS AND RESULTS

Figure 1 – Employee Stress Level Distribution



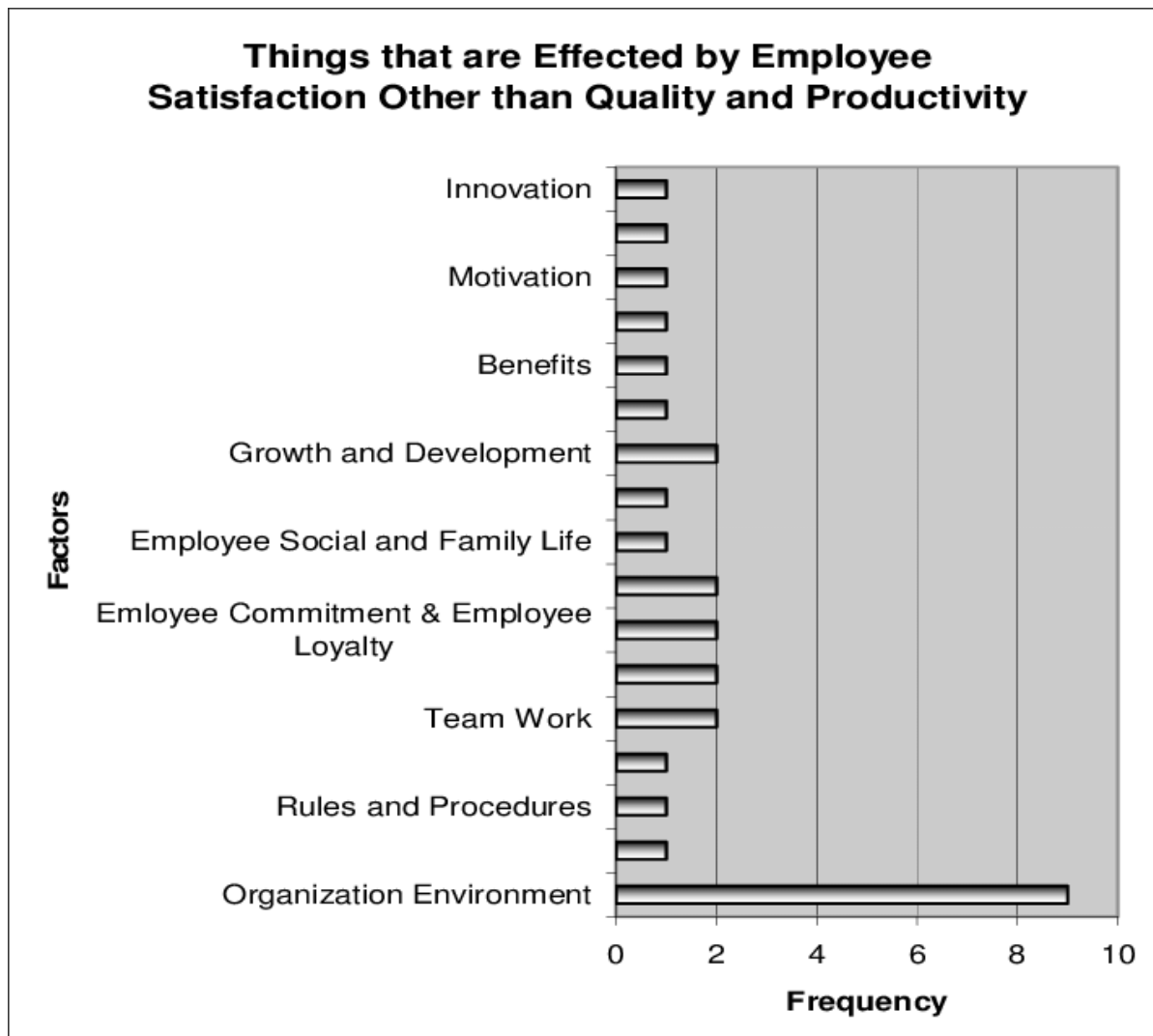
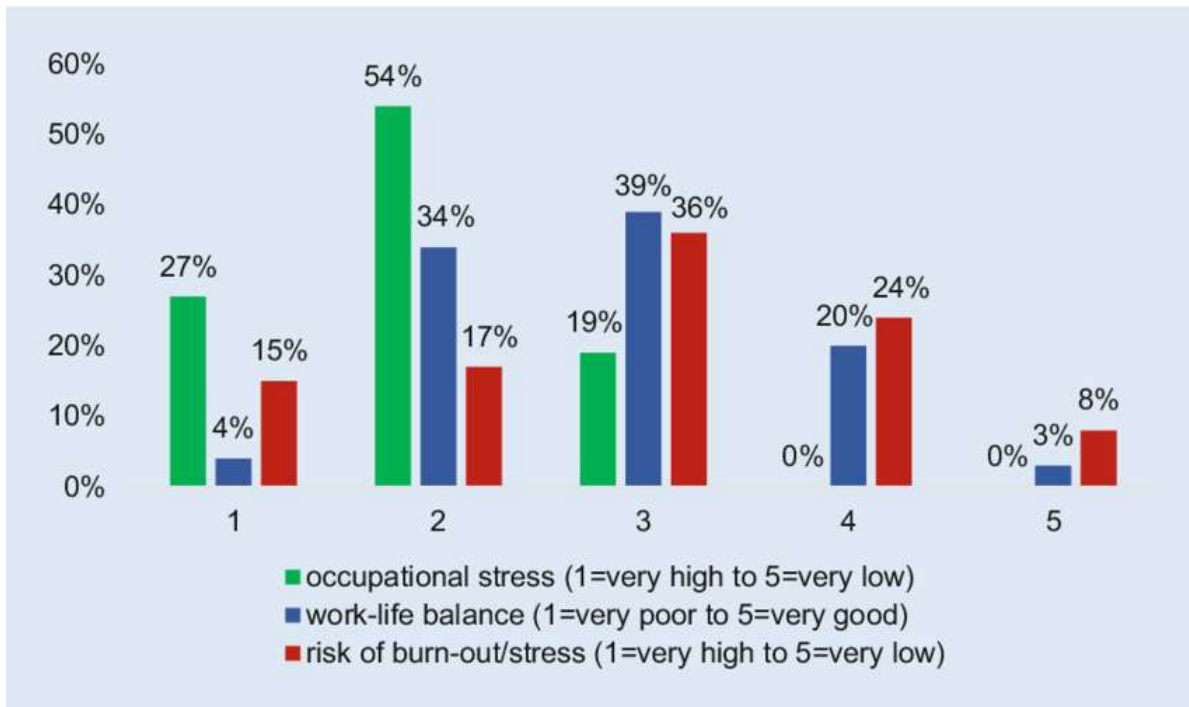
# Stress level

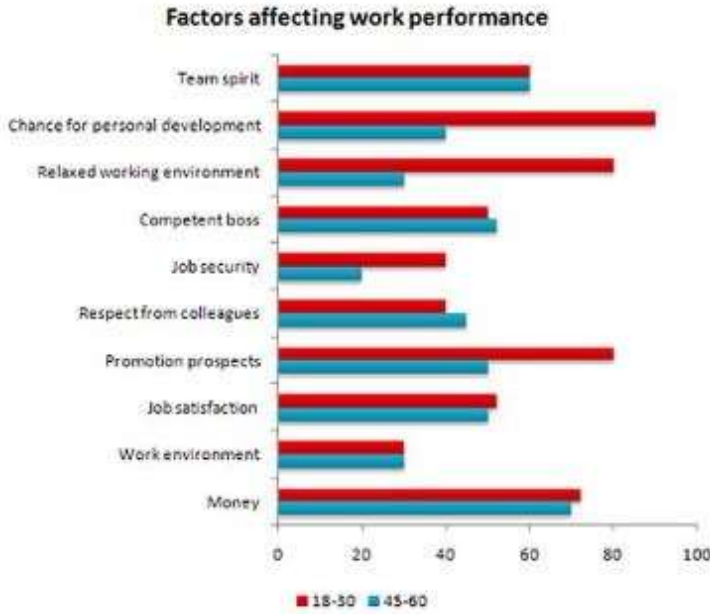


### Interpretation:

The above figure shows that 62% of employees experience moderate to high levels of job stress, 24% report low stress, and 14% experience very high stress. This indicates that workplace stress is a significant factor influencing employee mental health within the organization.

Figure 2 – Factors Influencing Employee Well-being

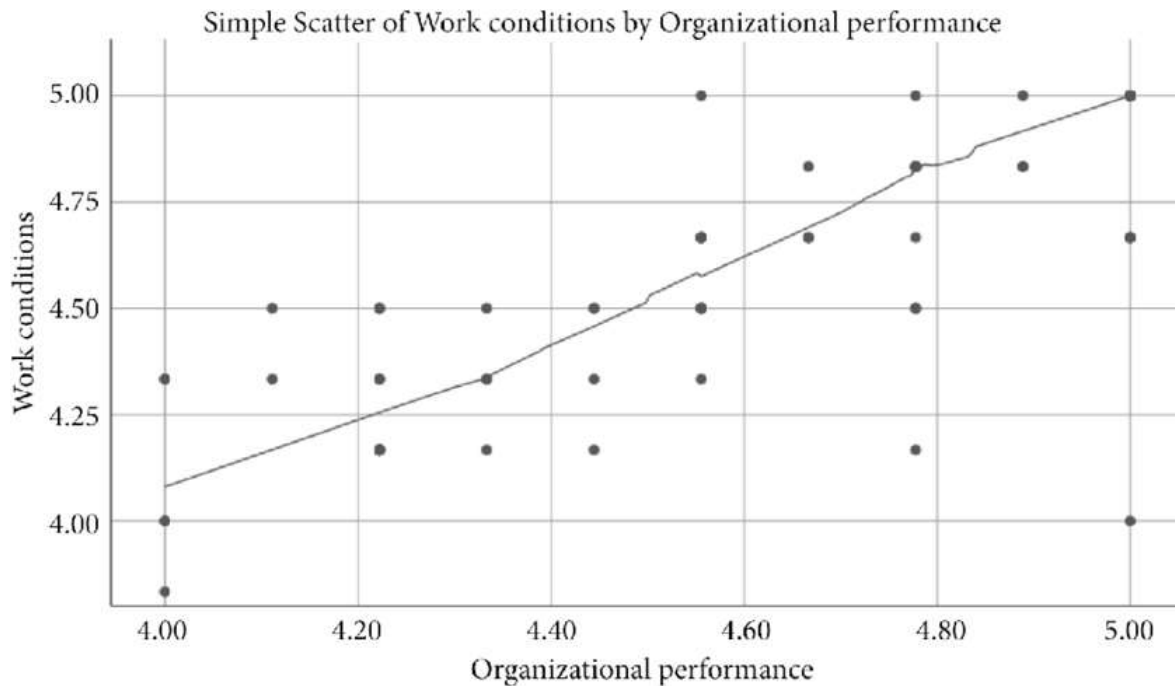




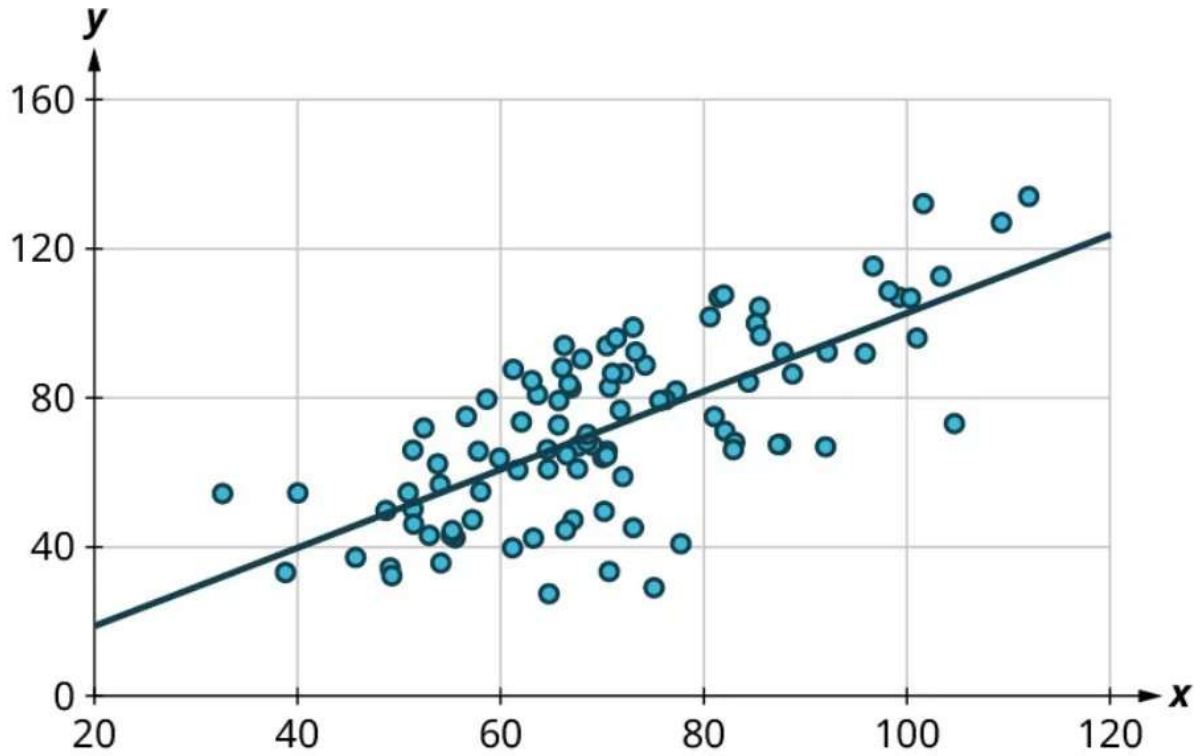
**Interpretation:**

The bar chart illustrates that Work-Life Balance (70%) and Leadership Support (68%) are the most influential factors in improving employee well-being. Mental Health Initiatives (65%) and Employee Engagement (72%) also show strong positive responses. Job Stress negatively affects overall well-being.

**Figure 3 – Relationship Between Employee Well-being and Organizational Performance**







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**Interpretation:**

The scatter plot demonstrates a strong positive relationship ( $r = 0.56$ ) between employee well-being and organizational performance. As employee well-being increases, productivity and overall performance also improve significantly.

**Correlation Table**

Variables	Well-being	Performance
Well-being	1.00	0.56
Performance	0.56	1.00

**Interpretation:**

The correlation coefficient (0.56) indicates a moderate to strong positive relationship between employee well-being and organizational performance.

## Regression Analysis

Relationship	Beta ( $\beta$ )	t-value	p-value
Well-being → Performance	0.52	5.87	0.001
Job Stress → Mental Health	-0.44	-4.96	0.002

The regression results confirm that employee well-being has a statistically significant positive impact on organizational performance ( $\beta = 0.52$ ,  $p < 0.01$ ).

Job stress has a significant negative impact on mental health ( $\beta = -0.44$ ,  $p < 0.01$ )

## 6. Key Findings -

The study shows that 62% of employees experience moderate to high job stress, highlighting it as a major workplace issue. Around 70% of employees believe that maintaining a good work-life balance improves their productivity and efficiency.

Further, 68% of respondents stated that supportive leadership helps reduce stress and improves overall well-being, emphasizing the importance of managerial behavior. Additionally, 74% agreed that wellness programs positively impact employee morale, engagement, and satisfaction.

The findings also indicate that employees who feel mentally healthy, supported, and engaged tend to perform better and contribute more effectively to organizational goals. On the other hand, high stress levels lead to reduced focus, lower productivity, and increased dissatisfaction.

Overall, the study establishes that employee well-being plays a crucial role in enhancing organizational performance and long-term success.

## 7. DISCUSSION

The results of the study clearly indicate that employee mental health is directly connected with organizational performance. Employees who feel psychologically safe, supported, and valued are more likely to perform efficiently and contribute positively to organizational goals.

Supportive leadership plays a major role in reducing stress and improving employee motivation. Organizations that promote open communication and work-life balance create a positive work culture that encourages innovation and teamwork.

However, social stigma related to mental health still prevents many employees from openly discussing their problems. Organizations must create awareness programs and encourage employees to use available mental health resources.

## 8. CONCLUSION

The study concludes that employee well-being is a significant factor influencing organizational success. Organizations that invest in employee mental health initiatives benefit from improved productivity, lower absenteeism, better teamwork, and higher employee retention rates.

Employee well-being should not be viewed only as a welfare activity but as a strategic investment that contributes to long-term business sustainability.

Organizations like Adani Group can further improve employee performance by implementing structured wellness programs, leadership development initiatives, and stress management training sessions.

## 9. LIMITATIONS

The study has certain limitations which should be considered:

- The research is limited to one organization, which may affect generalization of results
- The sample size is limited to Gujarat region only
- Responses are based on employee perceptions, which may include personal bias
- Time constraints limited the scope of data collection

## 10. FUTURE RESEARCH

Future research studies can focus on:

- Comparative analysis between different industries such as IT, Banking, and Manufacturing
- Long-term impact of mental health programs on organizational growth
- Role of digital mental health platforms in employee well-being
- Comparative studies between private and public sector organizations

## 11. REFERENCES (APA 7 Format)

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