

A Study To Determine The Employee Well-Being- Employee Performance Relationship In The Workplace

Aswika Saji

Dept of Human Resources and Organizational Development
Madras School of Social Work, Egmore, Chennai.

Abstract- *The purpose of this study is to determine the relationship between employee wellbeing and employee performance in XYZ organization. The study is aimed to appraise the existing literatures and build up the conceptual framework as well as hypotheses. The research was conducted with a convenience sample. A total of 104 responses were collected from the employees of XYZ organization to complete this research survey. The data collected is analyzed and its interpretations are included. Data collected were analyzed using the statistical tool SPSS 20.0. Results showed that the organization's employees have high employee well-being and there is a significant association between workplace well-being and employee performance. Some important recommendations are also derived from the study.*

Keywords- Employee well-being, Employee performance, workplace well-being

I. INTRODUCTION

Employee well-being and employee performance are two crucial factors that contribute to the success of any organization (Huang et al., 2016). Employee well-being refers to the physical, mental, and emotional state of an employee in relation to their work environment. It encompasses aspects such as job satisfaction, work-life balance, stress levels, and overall happiness. On the other hand, employee performance refers to the ability of an employee to meet or exceed job expectations, achieve goals, and contribute effectively to the organization's objectives and outcomes.

In recent years, there has been a growing interest in understanding the relationship between employee well-being and employee performance. However, despite the increasing interest in this topic, there are still relatively fewer studies that have specifically focused on the relationship between employee well-being and employee performance. Therefore, the purpose of this research paper is to investigate the impact of employee well-being on employee performance. The focus is shifting from solely emphasizing productivity and output to

considering the well-being of employees as crucial factor in enhancing organizational performance. This shift in perspective is based on the understanding that when employees are well taken care of and their well-being is prioritized, they are more likely to be motivated, engaged, and productive in their work.

II. OBJECTIVES OF THE STUDY

- To determine the employee wellbeing - employee performance relationship in the organization
- To analyze the present state of employee well-being in the organization.

III. SCOPE OF STUDY

This study covers the employees of XYZ organization and explores the relationship between employee well-being and employee performance. The significance level of performance factors like job satisfaction, work life balance, employee engagement is covered under this study.

IV. REVIEW OF LITERATURE

There exists both theoretical and empirical literature that points out the effect of employee wellbeing on the employees' performance.

Theoretical Background

It is important to understand the theoretical reason why employee wellbeing might affect employee performance in organizations. One of the widely known theories which can be associated here is **Human Relations Theory**. Human relations theory states that higher employee wellbeing is associated with higher morale, which, in turn, leads to higher productivity (Strauss 1968).

In addition, the **happy-productive worker thesis (HPWT)** states that all things being equal, happy workers

perform better than those who are less happy (Wright and Cropanzano, 2007). According to **Peiró et al. (2021)**, mutual and dynamic relationships between well-being and performance would imply a synergy leading to a virtuous (or vicious) cycle over time, where higher (or lower) performance leads to higher (or lower) levels of EWB and, in turn, to higher (or lower) performance, and so on.

Krekel, Ward and De Neve in their research paper titled “**Employee Wellbeing, Productivity and Firm Performance**” attempts to find out whether higher employee well-being leads to higher productivity. They conducted a meta-analysis on the well-being of around 1,882,131 employees across 49 industries from the Gallup client database. The study revealed a strong, positive correlation between employee wellbeing, employee productivity, and firm performance.

Danna and Griffin in their article “**Health and Well-Being in the Workplace: A Review and Synthesis of the Literature**” defines health, wellbeing and the primary factors affecting it. It has been found out that mental well-being, including factors such as stress management, mood, and mental health, significantly impacts work efficiency. Organizations that support mental health resources has increased benefits of productivity and reduced turnover. The study also suggested that healthier employees tend to exhibit greater productivity, lower absenteeism, higher job satisfaction, and enhanced loyalty.

Mohammed Inuwa in his “**Job Satisfaction and Employee Performance: An Empirical Approach**” aims to examine the relationship between job satisfaction and performance of 270 non-academic staff of Bauchi State University Gadau Nigeria (BASUG).The outcome depicted that there is positive and significant relationship between job satisfactions on the performance of non -academic staff of the University.

Peter Warr & Karina Nielsen in their research “**Wellbeing and Work Performance**” reviews the happy worker-productive worker thesis, which suggests that individuals and groups with raised wellbeing perform better in their jobs than do those with lower wellbeing. They have also examined different types of context-free and job-related wellbeing, and explored work performance in terms of in-role and extra-role behaviours and through specific activities such as being creative or proactive. They have also analysed group-level wellbeing and found out that group affective tone is also moderately related to performance.

In conclusion, the above existing review of literature indicates a compelling relationship between employee well-

being and employee performance, which gradually leads to organizational performance. The evidence taken from various studies consistently highlights the significant impact of prioritizing employee well-being on enhancing employee performance, thereby contributing to overall organizational performance.

V. RESEARCH METHODOLOGY

RESEARCH DESIGN

This study employs Descriptive research design as it aims to identify the employee well-being -employee performance relationship and provides the result based on the response.

SAMPLING METHOD

The researcher has chosen probability sampling method, specifically simple random sampling method to collect the data so that every member of the population has an equal chance of being selected.

SAMPLE SIZE

Sample size of the study is 104 respondents working in XYZ organization.

METHODS OF DATA COLLECTION

The source of data collection comprises of primary data which was collected through structured questionnaire for the statistical analysis.

STATISTICAL ANALYSIS

The collected data from the questions were entered and analyzed by using SPSS software for statistical analysis. Mode was calculated to the identify the significance level of each variable. Analysis of Variance (ANOVA) was used to find the relationship between employee well-being and employee performance of the organization.

VI. DATA ANALYSIS& INTERPRETATION

FREQUENCY TABLES& CHARTS

A questionnaire was distributed to the employees of XYZ company and a total of 104 responses were collected. All the responses are valid and can be used for analysis.

Gender
104 responses

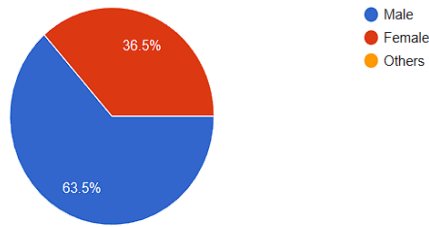


Table 1: Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Female	38	36.5	36.5	36.5
Male	66	63.5	63.5	100.0
Total	104	100.0	100.0	

From Table 1, it is evident that the number of respondents is 104. Among the 104 responses, 38 were done by female employees which constitutes 36.5% and 66 were done by male employees which is around 63.5%.

Age
104 responses

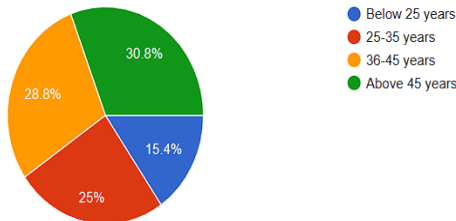


Table 2: Age

	Frequency	Percent	Valid Percent	Cumulative Percent
25-35 years	26	25.0	25.0	25.0
36-45 years	30	28.8	28.8	53.8
Above 45 years	32	30.8	30.8	84.6
Below 25 years	16	15.4	15.4	100.0
Total	104	100.0	100.0	

Table 2 indicates that majority of the respondents (30.8%) were above 45 years of age.

Total years of experience in the organization
104 responses

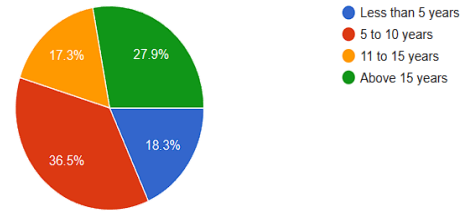


Table 3: Total years of experience in the organization

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 5 yrs.	19	18.3	18.3	18.3
5 to 10 yrs.	38	36.5	36.5	54.8
11 to 15 yrs.	18	17.3	17.3	72.1
Above 15 yrs.	29	27.9	27.9	100.0
Total	104	100.0	100.0	

Table 3 shows that among 104 respondents, 19 have less than 5 years of experience, 38 have an experience of 5 to 10 years, 18 with an experience of 11 to 15 years and 29 respondents have an experience above 15 years. This implies that 81.7% has an experience of more than 5 years in the organization.

MODE

Table 4: Mode

	I feel confident to work with the security measures offered by the organization	I am happy with organization's medical policy as it provides good medical benefits.	My superiors are concerned about my workload and work stress.
Valid	104	104	104
Missing	0	0	0
Mode	Strongly Agree	Strongly Agree	Strongly Agree

Table 5: Mode

		My superiors off-load some work to others or revise the deadlines during workload.	I feel valued, respected and appreciated for my contributions at workplace	I enjoy my work in the office and able to discuss/share my ideas with superiors.
N	Valid	104	104	104
Mode	Missing	0	0	0
		Strongly Agree	Strongly Agree	Agree

Table 6: Mode

		I am able to attend personal commitments and fulfil professional responsibilities at ease.	I handle / attend office works at home regularly and find less time to attend to family commitments	I am able to consistently complete assigned tasks and responsibilities before deadlines.
N	Valid	104	104	104
Mode	Missing	0	0	0
		Agree	Disagree	Agree

A set of 9 statements were given to 104 employees and asked to rate their agreeableness to the statement on a five-point Likert scale. The answer possibilities range from 5 ("Strongly Agree") to 1 ("Strongly Disagree").

The mode of the ratings has been calculated and they rated "Strongly agree" for factors of employee well-being like workplace safety, workplace appreciation and consideration. At the same time, the respondents rated "Agree" for job satisfaction, work-life balance and employee performance. They have also rated "Disagree" for a negative statement related to work-life balance which means they are able to balance their professional and personal lives equally.

ANOVA

Hypothesis Testing

H0:Employee well-being and Employee performance are Independent.

H1:Employee well-being and Employee performance are Dependent.

Based on the following statements, analysis of variance is conducted:

- I feel valued, respected and appreciated for my contributions at workplace
- I am able to consistently complete assigned tasks and responsibilities before deadlines.

Table 7: ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	9.242	3	3.081	4.426	.006
Within Groups	69.595	100	.696		
Total	78.837	103			

From table 7, at 95% confidence level, the significance level is 0.05; the output is giving a significance level of 0.006 which is lesser than 0.05. Thus, H0 is rejected and hence there is a significant association between employee well-being and employee performance. It also reveals that there exists a good employee performance in the company as a result of high employee well-being.

VII. OBSERVATIONS

This study is conducted to find the employee well-being - employee performance relationship of XYZ organization. A questionnaire was circulated among the employees randomly to identify the relationship.

The following observations were made after analyzing the collected data.

- The employees of the organization have relatively high employee well-being which is evident from their positive reply for employee well-being factors like work place safety, work life balance, job satisfaction, work life safety and appreciation.
- There is a significant association between employee being and employee performance in the organization.
- It is observed that 81.7% of the employees have been working in the company for more than 5 years. This shows that the employees prefer to stay longer in the organization.

VIII. SUGGESTIONS

After analyzing the results, the suggestions from the researcher are given below:

- **Mentorship Program** - The main idea of this mentorship program is not only to enhance employee productivity but also to keep a check on employee's mental well-being. This allows the mentee to have a safe place to talk without judgement and it in turn boosts employee engagement and productivity. Mentors can also provide adequate support during difficult times, equip you with suitable coping strategies and provide emotional validation to deal with the challenges.
- **Employee happiness index**- The employee happiness index survey can be used to measure the subjective well-being of employees. It assesses employee satisfaction levels on various aspects which are not limited to working conditions, pay, benefits, job security, and professional development opportunities. So, this can be used as a tool to determine the overall satisfaction of the employees. It also gives management insights on areas in which they can improve to maximize productivity and retain valuable employees.
- **More flexibility** – Employees need to be given more choice or control on their work schedules. This is possible by permitting varied starting and stopping times. So, giving autonomy on work will also help employees to maintain a healthier work-life balance.
- **Constant monitoring** - Employee wellbeing has to be constantly monitored through evaluations to make sure the organization keeps up the present standard.

IX. CONCLUSION

In conclusion, there is a significant relationship between employee well-being and performance. As organizations strive to enhance productivity and achieve their goals, creating a supportive and conducive work environment that promotes employee well-being is crucial. By following the suggestions, the organization can foster not only a healthier and happier but also more productive and engaged workforce. It is evident that employee well-being is not just a moral imperative but also a strategic business investment that yields long-term benefits. This research paper calls for further exploration and implementation of policies and practices aimed at fostering employee well-being and thereby, improving overall organizational performance.

REFERENCES

- [1] Avgoustaki, A. (2021). *Well-being and employee productivity: A happy worker is a productive worker*. [online] The Choice by ESCP. Available at: <https://thechoice.escp.eu/choose-to-lead/well-being-and-employee-productivity-a-happy-worker-is-a-productive-worker/#:~:text=The%20happy%20worker%E2%80%93productive%20work> [Accessed 8 Mar. 2024].
- [2] Danna, K. (1999). Health and well-being in the workplace: a review and synthesis of the literature. *Journal of Management*, [online] 25(3), pp.357–384. doi:[https://doi.org/10.1016/s0149-2063\(99\)00006-9](https://doi.org/10.1016/s0149-2063(99)00006-9).
- [3] Inuwa, M. (2016). Job Satisfaction and Employee Performance: An Empirical Approach. *The Millennium University Journal*, 1(1), pp.90–103. doi:<https://doi.org/10.58908/tmuj.v1i1.10>.
- [4] Krekel, C., Ward, G. and De Neve, J.-E. (2019). Employee Wellbeing, Productivity, and Firm Performance. *SSRN Electronic Journal*, [online] 4. doi:<https://doi.org/10.2139/ssrn.3356581>.
- [5] Peiró, J.M., Montesa, D., Soriano, A., Kozusznik, M.W., Villajos, E., Magdaleno, J., Djourova, N.P. and Ayala, Y. (2021). Revisiting the Happy-Productive Worker Thesis from a Eudaimonic Perspective: A Systematic Review. *Sustainability*, 13(6), p.3174. doi:<https://doi.org/10.3390/su13063174>.
- [6] Strauss, G. and Berkeley., C. (1968). *Human Relations - 1968 Style*. Industrial Relations, pp.262–276.
- [7] Warr, P., & Nielsen, K. (2018). Wellbeing and work performance. In E. Diener, S. Oishi, & L. Tay (Eds.), *Handbook of well-being*. Salt Lake City, UT: DEF Publishers
- [8] WRIGHT, T. and CROPANZANO, R. (2007). The Happy/Productive Worker Thesis Revisited. *Research in Personnel and Human Resources Management*, 26, pp.269–307. doi:[https://doi.org/10.1016/s0742-7301\(07\)26006-2](https://doi.org/10.1016/s0742-7301(07)26006-2).