

A RESEARCH STUDY ON EMPLOYEE WELL-BEING AND MENTAL HEALTH

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ABSTRACT

Employee well-being and mental health have emerged as central concerns in modern organizational management due to increasing workplace complexities, technological disruptions, and evolving employee expectations. This research study examines the multidimensional concept of employee well-being and its direct and indirect impact on organizational productivity, engagement, and sustainability. The study identifies key determinants of mental health such as workload, organizational culture, leadership style, and work-life balance. It also evaluates corporate initiatives undertaken by leading organizations to enhance employee well-being.

Through a qualitative and descriptive research methodology based on secondary data, the study highlights that poor mental health results in decreased productivity, absenteeism, burnout, and high employee turnover. Research findings indicate that workplace mental health interventions significantly reduce stress and improve work effectiveness. The study further includes a comparative analysis of companies such as Google, Microsoft, and Tata Consultancy Services (TCS) to understand practical implementation.

The research concludes that employee well-being is not only a social responsibility but also a strategic investment that enhances organizational performance.

INTRODUCTION

In the contemporary business environment, employee well-being and mental health have become critical components of human resource management. Organizations are increasingly

recognizing that employees are not merely resources but human capital whose mental and emotional health directly impacts organizational outcomes.

Mental health refers to an individual's ability to cope with stress, work productively, and contribute effectively to society. According to global research, workplace stress, anxiety, and depression are among the leading causes of reduced productivity and absenteeism. Poor mental health not only affects employees individually but also impacts organizational performance, team dynamics, and overall efficiency.

Modern workplaces are characterized by high competition, tight deadlines, and constant technological changes, which increase psychological pressure on employees. Factors such as job insecurity, excessive workload, lack of autonomy, and poor work-life balance further contribute to mental health challenges.

Organizations are now shifting from traditional HR practices to employee-centric approaches that prioritize well-being. Companies are investing in wellness programs, flexible work policies, mental health counselling, and employee engagement initiatives.

This research paper aims to provide a comprehensive understanding of employee well-being and mental health, analyze influencing factors, and evaluate organizational strategies to promote a healthy work environment.

Need For the Study

The growing prevalence of workplace stress and mental health issues highlights the need for focused research in this area. Secondary data suggests that a significant proportion of employee experience stress, anxiety, and burnout due to increasing job demands and inadequate work-life balance (Deloitte, 2022).

Despite rising awareness, many organizations still face challenges in implementing effective mental health strategies. Factors such as stigma, lack of awareness, and limited accessibility of support systems prevent employees from seeking help (World Health Organization, 2022). Furthermore, the shift toward remote and hybrid work models has introduced new challenges, including isolation, communication barriers, and difficulty maintaining work-life boundaries (Oakman et al., 2020). These changes have further emphasized the importance of employee well-being.

Therefore, this study is necessary to:

- Understand current trends in employee well-being
- Identify key workplace stressors

- Examine gaps in organizational support systems
- Provide recommendations for improving mental health practices

Objectives of the Study

- To understand the concept of employee well-being and mental health
- To identify factors affecting mental health in the workplace
- To analyze the impact of mental health on productivity and performance
- To study organizational initiatives for employee well-being
- To compare different companies based on their well-being practices
- To suggest recommendations for improving employee mental health

Importance of the Study

This study is significant for organizations, HR professionals, and employees as it focuses on one of the most critical aspects of workplace management—mental health and well-being.

Employee well-being has a direct impact on organizational performance, productivity, and employee retention (Harter et al., 2020). By understanding the factors affecting mental health, organizations can design effective HR policies that improve employee satisfaction and engagement.

Additionally, the study provides insights into workplace stress and its implications, helping organizations reduce absenteeism and burnout (Deloitte, 2022). It also emphasizes the importance of creating a positive organizational culture that supports psychological well-being (Grawitch & Ballard, 2020).

Overall, the study highlights that employee well-being is not only a social responsibility but also a strategic necessity for long-term organizational success.

Review of Literature

Employee well-being and mental health have been extensively studied in Human Resource Management and Organizational Behaviour. According to the World Health Organization (2022), mental health is a state of well-being in which individuals can cope with normal stresses, work productively, and contribute effectively to society. This definition establishes a direct link between employee mental health and workplace productivity.

Research by Kathleen Danna and Ricky W. Griffin (1999) highlights that employee well-being includes both physical and psychological dimensions, which significantly influence job

satisfaction, commitment, and performance. Their study suggests that organizations prioritizing well-being experience lower absenteeism and higher efficiency.

The concept of burnout has been widely examined by Christina Maslach and Michael P. Leiter (2016), who define burnout as a psychological syndrome caused by chronic workplace stress. They identify emotional exhaustion, depersonalization, and reduced personal accomplishment as its core components. Their work emphasizes that unmanaged stress negatively affects both employees and organizational outcomes.

Further research by Sabine Sonnentag and Charlotte Fritz (2007) introduces the concept of recovery and work-life balance. The study argues that employees need adequate time to disengage from work to maintain psychological health. Without proper recovery, employees are more likely to experience burnout and decreased productivity.

Studies by Matthew J. Grawitch, Gottschalk, and Munz (2006) focus on healthy workplace practices such as employee involvement, wellness programs, and work-life balance. Their findings indicate that organizations implementing these practices achieve higher employee satisfaction and reduced turnover rates.

Recent industry research by Deloitte (2022) reveals that mental health issues significantly impact organizational productivity and employee engagement. The report highlights that a large proportion of employees experience workplace stress, and companies investing in mental health initiatives observe improved retention and performance.

Similarly, McKinsey & Company (2021) emphasizes that employee well-being is a critical driver of organizational success. Their research suggests that organizations focusing on holistic well-being—including emotional, physical, and social health—achieve better long-term business outcomes.

A study published by the National Centre for Biotechnology Information (2017) demonstrates that workplace mental health interventions, such as counselling and stress management programs, significantly reduce psychological distress and improve productivity. This reinforces the importance of structured mental health initiatives.

In the Indian context, the Live Love Laugh Foundation (2021) reports that a significant proportion of employees experience stress and burnout due to work pressure and poor work-life balance. The study emphasizes the need for increased awareness and organizational support systems in India.

Overall, the literature consistently indicates that employee well-being and mental health are essential for organizational success. Factors such as workplace stress, leadership support, and

organizational culture play a crucial role, and companies investing in well-being initiatives benefit from improved productivity, engagement, and retention.

RESEARCH METHODOLOGY

This study adopts a **descriptive qualitative research methodology**.

Research Design

The descriptive design is used to analyze existing workplace practices and employee experiences related to mental health.

Data Sources

- Academic journals
- HR textbooks
- WHO and industry reports
- Company case studies
- Online research articles

Approach

The study uses conceptual and comparative analysis to evaluate employee well-being practices across organizations.

Scope

Focus is limited to:

- Mental health
- Workplace stress
- Organizational well-being initiatives

Factors Affecting Employee Well-being

Employee well-being is influenced by several factors within the workplace. These factors shape how employees feel, think, and perform at work. When organizations understand and manage these areas effectively, they can create a healthier and more productive work environment.

1. Workplace Stress

Workplace stress is one of the biggest challenges employees face today. When employees are overloaded with work, given unrealistic deadlines, or unclear responsibilities, stress levels naturally increase. Over time, this stress can become overwhelming.

According to Christina Maslach and Michael P. Leiter (2016), long-term stress can lead to burnout, which affects both mental health and job performance. Employees under constant stress often struggle to focus, make decisions, and stay motivated.

2. Work-Life Balance

Maintaining a balance between work and personal life is essential for overall well-being. When employees are unable to disconnect from work, it can lead to exhaustion and frustration.

Research by Sabine Sonnentag and Charlotte Fritz (2007) shows that employees need time to relax and recover after work. Without this, they may feel drained and less productive.

3. Organizational Culture

The work environment or culture of an organization plays a huge role in employee well-being. A positive culture—where employees feel respected, supported, and valued—helps them perform better.

On the other hand, a toxic culture can create stress and dissatisfaction. As explained by Kathleen Danna and Ricky W. Griffin (1999), a supportive environment improves employee commitment and satisfaction.

4. Leadership Style

Leaders have a strong influence on how employees feel at work. Supportive leaders who listen, guide, and motivate their teams create a positive atmosphere.

In contrast, strict or unsupportive leadership can increase pressure and anxiety. Employees feel more comfortable and confident when leaders communicate openly and provide support when needed.

5. Job Security

Feeling secure in one's job is very important for mental peace. When employees are unsure about their job stability, it creates stress and anxiety.

This uncertainty can reduce motivation and affect performance. Clear communication from management and stable policies can help employees feel more confident and secure.

6. Work Environment

The work environment includes both physical conditions (like workspace and safety) and emotional aspects (like relationships with colleagues).

According to the World Health Organization (2022), a healthy workplace supports both physical and mental well-being. A comfortable and positive environment helps employees stay motivated and productive.

Impact of Mental Health on Organizational Performance

Employee mental health does not just affect individuals—it has a direct impact on the entire organization. When employees are mentally healthy, they perform better and contribute positively to the workplace.

1. Reduced Productivity

When employees are stressed or mentally exhausted, their ability to focus and work efficiently decreases. This leads to lower productivity and poor performance.

2. Increased Absenteeism

Mental health issues often cause employees to take more leaves. Frequent absences disrupt workflow and increase the burden on other team members.

3. High Employee Turnover

Employees who feel stressed or unhappy are more likely to leave their jobs. High turnover creates additional costs for recruitment and training.

4. Poor Job Satisfaction

When mental health is affected, employees feel less satisfied with their work. This reduces their interest and involvement in their roles.

5. Decreased Employee Engagement

Mentally stressed employees are less engaged and less motivated. This affects teamwork, creativity, and overall organizational performance.

In simple terms, employee well-being is not just about avoiding stress—it's about creating an environment where employees can feel balanced, supported, and motivated. Organizations that focus on these areas naturally see better results in terms of productivity, engagement, and growth.

Company & Sector Comparison with Data and Studies

To strengthen the analysis, the comparison is extended across **multiple companies and sectors**, including:

- Technology Sector (Google, Microsoft, Amazon)
- IT Services (TCS, Infosys, Wipro)
- Consulting Sector (Deloitte, McKinsey)

- Manufacturing Sector (Tata Steel)
- Start-up/Modern Workplace (Flipkart, Zomato)

Comparative Table (Companies + Sectors)

Factors	Google	Microsoft	Amazon	TCS	Infosys	Deloitte	Tata Steel	Start-ups (Flipkart/Zomato)
Work Flexibility	Very High	High	Moderate	Moderate	Moderate	Moderate	Low	High
Mental Health Programs	Advanced	Data-driven	Growing	Structured	Moderate	Strong	Limited	Emerging
Employee Engagement	Very High	High	Moderate	Moderate	High	High	Moderate	High
Work Pressure	Moderate	Moderate	High	Moderate	Moderate	High	Moderate	High
Digital Well-being Tools	Advanced	Advanced	Moderate	Limited	Moderate	Advanced	Low	Moderate
Organizational Approach	Employee-first	Data-driven	Performance-driven	Structured	Employee-centric	Research-based	Traditional	Agile

1. Technology Sector Analysis

Google, Microsoft, Amazon

Key Data & Studies

- Microsoft research shows:
 - **41% lower absenteeism** in engaged workplaces
 - **21% higher profitability** with strong employee engagement
- Around **80% employees prefer flexible work**, improving retention
- Employees switch tasks **hundreds of times daily**, increasing stress and cognitive fatigue

Insights

- Google → strongest **employee-first culture**
- Microsoft → best **data-driven well-being system**
- Amazon → more **performance-driven, high-pressure environment**

Critical Insight

Even top tech firms struggle—**83% of global companies rank low in mental health support**, showing gaps despite resources

2. IT Services Sector (India)

Tata Consultancy Services, Infosys, Wipro

Key Data & Studies

- **59% of Indian employees report burnout symptoms**
- Mental health issues could cost India **\$350 billion annually**
- TCS provides:
 - 24/7 counselling
 - wellness programs
 - fitness initiatives

Insights

- Indian IT sector:
 - Strong **structured HR systems**
 - Growing mental health awareness
- However:
 - Less flexibility than global firms
 - Higher workload pressure

3. Consulting Sector Analysis

Deloitte, McKinsey & Company

Key Data & Studies

- **74% employees struggle to disconnect from work**
- Only **32% employees feel work improves mental well-being**
- **30% employees avoid leave due to workload stress**

Insights

- Consulting sector:
 - High pay but **high stress and burnout risk**
 - Strong mental health policies, but workload remains a challenge

4. Manufacturing Sector Analysis

Tata Steel

Key Observations

- Lower focus on mental health compared to IT/tech
- Limited flexibility due to operational nature
- Focus more on:
 - Physical safety
 - Occupational health

Insight

- Mental health initiatives are **less developed but emerging**

5. Start-up Ecosystem Analysis

Flipkart, Zomato

Key Observations

- High flexibility and innovation
- High stress due to:
 - fast-paced growth
 - performance pressure

Insight

- Start-ups emphasize:
 - agility
 - employee engagement
- But often lack structured mental health systems

Data Analysis and Interpretation

The analysis of secondary data from academic literature, industry reports, and organizational studies reveals that employee well-being is a multidimensional concept influenced by both organizational and individual factors.

Studies indicate that workplace stress is one of the most dominant issues affecting employee mental health. High workload, tight deadlines, and performance pressure significantly contribute to stress and burnout among employees (Maslach & Leiter, 2016). Research consistently shows that prolonged exposure to such stress leads to emotional exhaustion and reduced job performance.

Work-life balance emerges as another critical factor. Employees who are unable to maintain a balance between professional and personal responsibilities tend to experience higher levels of fatigue and dissatisfaction (Sonnetag & Fritz, 2007). The shift to hybrid and remote work models has further complicated this balance by blurring boundaries between work and personal life (Oakman et al., 2020).

Organizational culture plays a vital role in shaping employee well-being. A supportive and inclusive work environment enhances job satisfaction and psychological health, whereas a toxic work culture increases stress and disengagement (Danna & Griffin, 1999). Employees who feel valued and respected are more likely to demonstrate higher commitment and productivity.

Leadership style is another significant determinant. Supportive and empathetic leadership contributes positively to employee mental health, while authoritarian or unsupportive leadership increases anxiety and stress levels (Grawitch et al., 2006). Effective communication and emotional support from leaders improve employee morale and engagement.

Secondary data also highlights that mental health initiatives such as counselling programs, employee assistance programs, and wellness initiatives have a positive impact on reducing stress and improving productivity (Deloitte, 2022). However, despite the availability of such programs, their utilization remains limited due to stigma and lack of awareness (World Health Organization, 2022).

Sector-wise analysis indicates variation in employee well-being practices. Technology companies such as Google and Microsoft emphasize flexibility and digital well-being tools, resulting in higher employee engagement. In contrast, sectors like consulting and start-ups experience higher stress levels due to workload intensity and performance expectations (McKinsey & Company, 2021).

Overall, the analysis indicates that employee well-being is influenced by a combination of workload, organizational culture, leadership, and work-life balance. Organizations that actively address these factors achieve better performance outcomes.

FINDINGS:

Based on the analysis of secondary data, the following key findings have been identified:

1. Employee well-being has a direct and significant impact on productivity, engagement, and organizational performance (Harter et al., 2020).

2. Workplace stress is a widespread issue across industries and is one of the primary causes of burnout and reduced efficiency (World Health Organization, 2022).
3. Excessive workload and unrealistic job demands are the most significant contributors to employee stress and mental health issues (Maslach & Leiter, 2016).
4. Poor work-life balance leads to emotional exhaustion, reduced job satisfaction, and lower productivity (Sonnentag & Fritz, 2007).
5. Organizational culture plays a crucial role in employee well-being, with supportive environments improving engagement and toxic environments increasing stress (Danna & Griffin, 1999).
6. Leadership style significantly influences employee mental health, where supportive leadership enhances well-being and unsupportive leadership increases stress (Grawitch et al., 2006).
7. Mental health programs and organizational initiatives positively impact employee well-being, but their effectiveness is often limited by lack of awareness and stigma (Deloitte, 2022).
8. Sectoral differences exist, with technology companies offering better well-being practices compared to high-pressure sectors such as consulting and start-ups (McKinsey & Company, 2021).
9. Remote and hybrid work models provide flexibility but also create challenges such as isolation and work-life imbalance (Oakman et al., 2020).

Overall, the findings confirm that employee well-being is influenced by multiple interrelated factors and requires a comprehensive organizational approach.

RECOMMENDATIONS

Based on the findings, the following recommendations are suggested:

Organizations should implement effective workload management strategies by setting realistic targets and ensuring fair distribution of work. This will help reduce stress and prevent burnout among employees (Maslach & Leiter, 2016).

Flexible work arrangements such as remote work, hybrid models, and flexible working hours should be encouraged to improve work-life balance and employee satisfaction (Oakman et al., 2020).

Organizations must establish strong mental health support systems, including counselling services, employee assistance programs, and wellness initiatives. These programs should be easily accessible and actively promoted (Deloitte, 2022).

Management should foster a supportive organizational culture where employees feel valued, respected, and comfortable discussing mental health concerns without fear of stigma (World Health Organization, 2022).

Leadership development programs should be introduced to train managers in empathetic leadership, communication, and emotional intelligence, which are essential for supporting employee well-being (Grawitch et al., 2006).

Regular employee feedback and well-being assessments should be conducted to identify issues early and implement corrective measures.

Awareness programs and workshops should be organized to reduce stigma associated with mental health and encourage employees to seek support when needed.

Organizations should adopt digital tools and HR analytics to monitor employee well-being and identify stress patterns in real time.

Limitations of The Study

The study is based entirely on secondary data, which may limit the ability to capture real-time employee experiences and perceptions.

The findings depend on the accuracy and reliability of existing research studies and reports.

The study does not include primary data collection, which limits the ability to conduct statistical analysis or derive organization-specific insights.

Variations across industries, regions, and organizational sizes may not be fully represented.

The research is descriptive in nature and does not establish cause-and-effect relationships between variables.

Time constraints and limited access to certain databases may have restricted the scope of literature reviewed.

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