

The Significance of Employee Well-Being Is Crucial for The Effective Operation of An Organization

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Abstract

Organizations are increasingly acknowledging the significance of employee well-being in facilitating and promoting regular and efficient work. Stress, harassment, bullying, alcohol misuse, drug abuse, and violence are all crucial components of employee well-being. Organizations that recognize these issues as important and have well-established programs to address workplace well-being can expect improved performance levels. While the law mandates employers to ensure a safe and healthy work environment, evolving social attitudes and rising employee expectations are also contributing to this shift.

Keywords: Employee Well-Being, Stress, Harassment, Healthy Work Environment, Stress Management, Employee Assistance Programs (EAPs)

Introduction and Rationale

Employee well-being, as articulated by the CIPD (2007), entails the establishment of an environment that promotes satisfaction, allowing employees to flourish and achieve their utmost potential for the benefit of both them and the organization. Conversely, it is crucial to acknowledge employees' perceptions regarding the influence of work on their well-being, concentrating on aspects that can be shaped by employer initiatives. Consequently, a Work and Wellbeing Assessment (WWBA) diagnostic tool has been developed to evaluate well-being across ten domains: psychological, direction and understanding, workload, physical health, control, engagement, workplace environment, relationships at work, impact outside of work, and career advancement. By assessing employee well-being within these ten domains, organizations can identify areas of concern and execute targeted managerial interventions [1].

Macdonald (2005) posits that initiatives aimed at improving employee well-being are likely to gain precedence over flexible working arrangements in the context of employer strategies intended to enhance staff morale, productivity, and retention rates. The UK Government White Paper, *Choosing Health: Making Healthy Choices Easier*, highlights the necessity for a new approach to public health and stresses the significance of collaborations with employers to tackle pressing issues such as smoking cessation, dietary practices, nutrition, responsible alcohol consumption, and the promotion of mental health, particularly in relation to reducing workplace stress.

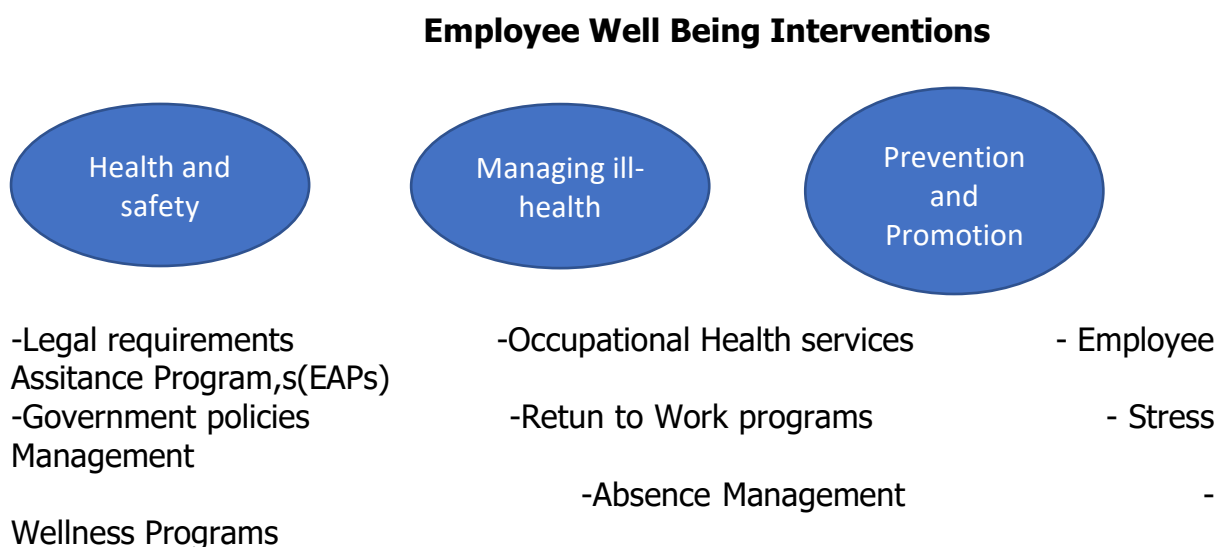
Therefore, employers should adopt a proactive stance concerning employee health matters, emphasizing the importance of preventive measures to prevent injuries and illnesses, rather than solely concentrating on rehabilitation following incidents [1].

Jack (2004) contends that forward-thinking organizations will appreciate the significance of well-being initiatives and their potential to drive corporate success at a relatively low expense. A comprehensive six-step approach for the formulation and implementation of this strategy. The initial step involves articulating a clear vision, which requires a thorough review of the organization's strategic objectives to identify specific goals pertaining to personnel management. Securing the commitment of senior management is essential, as their support is pivotal to the initiative's success. A well-articulated vision, accompanied by clearly defined costs and benefits, effective evaluation tools for assessing both employee and organizational well-being, and a robust business rationale will facilitate the engagement of top executives. Involving employees in the process is critical, as they possess valuable insights regarding the effectiveness of various initiatives within the organization. The next step is to evaluate well-being tools; a range of options exists, including online surveys, self-assessments, diagnostic instruments, and lifestyle questionnaires. It is also important to establish human resources performance indicators, as the vision and business case will guide the identification of key measurement areas. Finally, the necessity of setting realistic and attainable goals [1].

Conceptual Framework

A conceptual framework was proposed for the well-being of employees that included three main categories of intervention. The first category is health and safety, which they describe as being shaped by governmental policies and legal requirements. The second category focuses on managing ill-health, emphasizing reactive measures such as occupational health services, return-to-work initiatives, and absence management strategies. Lastly, they identify prevention and promotion, which involve a diverse range of interventions aimed at enhancing well-being [1].

Below is the conceptual framework figure illustrating the three main categories of intervention for employee well-being:



Stress Management Strategies

Organizations are increasingly embracing a strategic method for managing wellbeing. By taking this approach, employers can implement occupational health support programs, return to work strategies, and absence management initiatives to improve the overall well-being and welfare of both potential and current employees. Some examples of these initiatives are health screening, health education, and employee assistance programs (EAPs) [1].

Organizations are increasingly embracing a strategic method for managing wellbeing. By taking this approach, employers can implement occupational health support programs, return to work strategies, and absence management initiatives to improve the overall well-being and welfare of both potential and current employees [1]. In 2000, the concept of 'health and well-being' was not a common topic in the workplace, with employers primarily focusing on 'health and safety' management. However, over the past two decades, there has been a significant shift towards prioritizing employee well-being in the workplace. Nowadays, organizations are urged to not only minimize the risk of injury and illness but also to actively promote and enhance employee well-being. This aligns with the World Health Organization's definition of health as encompassing physical, mental, and social well-being, rather than just the absence of disease or infirmity [2].

Stress management can be approached through three levels of intervention: primary, secondary, and tertiary. Primary interventions focus on job redesign and clarifying roles. Secondary interventions promote the adoption of healthy habits among employees. Tertiary interventions involve providing counseling services. The ability of both employers and employees to address stress is limited since common stressors are influenced by a combination of social, political, economic, and global factors. These factors encompass increased work demands, feelings of job instability, and the expectation for employees to engage in 'emotional labor'. Managing stress effectively in the workplace necessitates a holistic approach from the organization, alongside the encouragement of personal coping mechanisms. To effectively tackle stress, it is crucial to comprehend its nature, potential sources, implications for individuals and the company, as well as the various available responses. Conducting a stress audit and implementing a stress policy can aid in directing actions at both the individual and organizational levels [1].

There are two key points to consider. Firstly, a suitable amount of stress or pressure can actually be invigorating, beneficial, and welcomed. Secondly, it is important to note that stress is not always overwhelmingly prevalent and will automatically lead to negative outcomes. Stress can manifest in various forms such as physical, mental, emotional, or social pressure. The real issue arises when an individual views pressure as either overwhelming and beyond their capacity to handle or, on the contrary, insufficient to offer any motivation. It is the distress that poses a potential threat and should be the primary concern. Occupational stress encompasses the volume of work, time constraints, professional interactions, the type and scale of modifications, the level of autonomy, working environment, and job stability. Personal stress encompasses the demands of everyday life and encompasses financial matters, emotional connections, family obligations, and personal well-being [1].

There are various factors that can influence an individual's vulnerability to distress, such as differences in personality, whether they exhibit Type A or Type B behavior, and their internal or external locus of control. Type A behavior is described as an aggressive pursuit of goals in a relentless manner, often competing against others, while Type B behavior is characterized by a more relaxed approach to life, with less emphasis on achieving numerous goals in a short period of time [1].

Briner (1999) presents a structured approach to stress management that emphasizes a critical perspective on the prevalence of stress, identification of specific stressors, evidence-based evaluation of stress factors, implementation of targeted stress management interventions in conjunction with other human resource strategies, and assessment of the effectiveness of these interventions. Three fundamental beliefs underpin this approach: stress is a learned response to stimuli rather than an innate reaction, external factors do not inherently induce distress as individuals have agency in choosing their stress responses, and it is more advantageous to prevent stress proactively rather than repressing or outwardly expressing it [1].

The rationale behind a policy involves directing managerial focus towards minimizing the direct and indirect expenses related to stress, ensuring employer accountability for the physical and mental well-being and safety of staff, addressing the growing risk of costly legal action from distressed employees as per *Walker v Northumberland County Council* [1995] IRLR 35 and *Cross v Highlands and Islands Enterprise* [2001] IRLR 336, safeguarding the organizational reputation with respect to the customer base and the job market, and reinforcing the belief that individuals are a key competitive asset [1].

Stress is a physical reaction to emergencies or difficult situations that can have a negative impact on employees' mental and physical capabilities. This can lead to a decrease in productivity and performance levels, ultimately affecting the overall performance of the organization. To ensure the well-being of employees, organizations should implement effective stress management policies that encourage employee coping strategies. These strategies can be developed through a customized risk assessment framework that considers factors such as appropriate workload, work patterns, work environment, control over work tasks, support from colleagues and managers, positive working relationships, clear role understanding, and employee involvement in change management and communication [3].

Legal and Policy Context

Aikin (2005) underscored that the ruling in *Hartmann v South Essex Mental Health and Community Care NHS Trust* [2005] elucidated essential principles concerning employee stress claims. The Court of Appeal asserted that the standards governing stress-induced psychiatric injuries are analogous to those applicable to physical injuries, thereby imposing a duty on employers to avert foreseeable harm. An employer's liability arises only when there is a failure to implement measures to prevent such foreseeable injuries, resulting in actual harm to the employee. Consequently, it is incumbent upon the employee to notify the employer when experiencing difficulties related to work-related stress. To establish the employer's

liability for stress-related health issues, the employee must provide evidence that the risk and resultant ill-health were within the employer's reasonable foresight [3].

Bullying is defined by ACAS (2009) as behavior that is offensive, intimidating, malicious, or insulting, involving an abuse or misuse of power with the intention to undermine, humiliate, denigrate, or harm the target. The CIPD (2005) provides a broader description, stating that bullying consists of repeated negative actions and practices targeted at one or more employees. These actions are unwelcome to the victims and occur in situations where they struggle to defend themselves [3].

An affirmative organizational culture outlines the organization's values and describes the expected behaviors of employees, including respect, honesty, fairness, and transparency. These values should be implemented through strong policies, procedures, and practices, and methods for addressing negative behavior should be established. The UK prohibits harassment based on sex, race, color, disability, religious belief, and sexuality due to ethical standards and the potential negative effects on the organization. The Sex Discrimination Act 1975 (Amendment) Regulations 2008 enable employees to file a claim against employers who fail to take 'reasonable steps' to prevent harassment by a third party, provided the employer is aware of at least two previous instances of harassment against the employee [3].

An employment dignity policy can address various forms of harassment and bullying. It can show the dedication of management, establish guidelines for employee conduct, and create an environment where employees can focus on their work without feeling unsafe or distracted. The process should incorporate both informal and formal procedures, and the victim should have recourse at every step. The policy should emphasize the shared responsibilities of both employers and employees in preventing bullying and harassment in the workplace [3].

Employers are mandated by the Health and Safety at Work Act 1974 to ensure the well-being of their employees, while employees must also take reasonable care of themselves and others at work. Failure to comply, such as allowing unfit individuals to work or employees choosing to work despite being unfit, can result in legal consequences for both the employer and the employee. Employers are responsible for the safety, health, and welfare of their employees, as well as customers and visitors. To fulfill this duty, employers must address workplace violence, conduct thorough risk assessments, and establish policies to address it. Workplace violence encompasses not only physical attacks but also verbal threats that can impact the well-being of employees [3].

A culture that values recognition improves employee wellbeing in many ways, from social ties to career goals. Employees who believe recognition is key to their workplace culture are 91% more likely to feel successful. A key feature of this culture is that employees openly give and receive recognition. When recognition happens throughout the company, it boosts everyone's wellbeing. Employees who get recognized by their managers and leaders a few times a month are twice as likely to feel successful (Anon., March 2023).

Post COVID Organizational Trends

Below is the table summarizing post Covid changes in organizational well-being strategies from 2020 to 2023.

Aspect	2020	2021	2023
Organizations with separate wellbeing strategy	–	50%	53%
Senior leaders prioritizing wellbeing	61%	–	69%
Line managers recognizing wellbeing importance	58%	–	67%
Most prevalent wellbeing benefit	–	–	EAPs
Second most prevalent benefit	–	–	Counseling Services
Health promotion benefits	–	–	Gym memberships & screenings restored
Wellbeing days / On-site classes	–	–	No significant recovery
Insurance and protection initiatives	Stable	–	Stable
Occupational sick pay schemes	–	–	69%
Sector differences in benefits	Private sector: insurance & cash plans	–	Public sector: sick pay schemes

This applies to both the public and private sectors, for instance, Wiltshire County Council has implemented various awards for its business associates, such as promoting physical health, healthy eating, and creative walking paths. Job design involves assembling a variety of tasks, duties, and responsibilities to form a whole that individuals can perform in their work and take ownership of. Stress management can also be achieved through primary methods like job restructuring and defining roles, secondary approaches such as promoting healthy behaviors, and tertiary interventions like counseling. Enhancing job design is considered crucial in enhancing employee welfare and consequently, organizational effectiveness. The latest WERS 11 study has

further emphasized the connection between aspects of job design like autonomy and enhanced employee welfare [3].

Employment roles should require individuals to employ a diverse set of skills and competencies, thereby highlighting the importance of job enrichment, which entails the incorporation of additional skills and abilities into job functions. However, the enduring relevance of job enrichment within the context of job design, has been overlooked in strategic human resource management (HRM) and should be regarded as a fundamental component of HRM initiatives. Task identity refers to the degree to which a position allows an employee to complete a distinct and recognizable segment of work. Autonomy denotes the extent of freedom an employee has in making decisions regarding the execution of their tasks, including the organization of their schedule and the methods employed. This autonomy fosters a sense of responsibility, which subsequently enhances motivation. Feedback is characterized by the provision of direct and unambiguous information regarding performance outcomes [3].

According to the Canadian Mental Health Alliance (CMHA), 62% of recent graduates express concerns about how a new job may affect their mental health. Employers are expected to be transparent about their mental health policies and support systems. However, some businesses may worry that increased focus on mental health discussions could lead to decreased productivity, as less time spent working may result in fewer tasks completed. If companies aim to shift their approach to mental health and promote staff taking time off for self-care, we are likely to witness positive outcomes as employees tend to work more efficiently when they are at their desks. This adjustment can help both employers and employees achieve a better work-life balance [4].

Discussion and Implications

The existing literature by Pagan-Castano presents two contrasting perspectives on the influence of employee wellbeing within the context of the relationship between Human Resource Management (HRM), internal marketing, and organizational performance, as articulated by the AMO theory (Ability, Motivation, and Opportunity). The first viewpoint, referred to as the 'mutual gains perspective,' asserts that both employers and employees derive advantages from HRM practices, with employers benefiting through enhanced organizational outcomes and employees experiencing improved wellbeing in their work environment [5]. Conversely, the 'inconsistent results perspective' posits that while HRM is linked to organizational performance, it may exert a detrimental or negligible effect on employee wellbeing [6].

McKinsey & Company conducted research on well-being in Europe at the time of COVID-19 and they found out that in April 2020, average life satisfaction in Europe dropped to its lowest levels since 1980. However, the drop is only partially explained by the loss that people have experienced in their income or job security. What seems to affect people the most is how they feel about their health and their relationships. This gives food for thought for leaders who often tend to overestimate the relative importance of money and underestimate the value of non-monetary factors. For example, German study found that when an individual's health deteriorates, their life satisfaction falls by roughly 35 percent more than an otherwise similar person who loses their job [7].

Conclusion

Organizations are increasingly embracing a strategic method for managing wellbeing. By taking this approach, employees can implement occupational health support programs, return to work strategies, and absence management initiatives to improve the overall wellbeing and welfare of both potential and current employees. Some examples of these initiatives are health screening, health education, and employee assistance programs (EAPs).

Organizations are increasingly embracing a strategic method for managing wellbeing. By taking this approach, employers can implement occupational health support programs, return to work strategies, and absence management initiatives to improve the overall wellbeing and welfare of both potential and current employees. In 200, the concept of 'health and wellbeing' was not a common topic in the workplace, with employers primarily focusing on 'health and safety' management. However, over the past two decades, there has been significant shift towards prioritizing employee well-being in the workplace. Nowadays, organizations are urged to not to minimize the risk of injury and illness but also actively promote and enhance employee well-being. This aligns with the World Health Organization's definition as encompassing physical, mental, and social wellbeing, rather than just the absence of disease or infirmity.

Investing in the well-being of employees can lead to reduced sick leave and enhanced performance and productivity; however, many organizations fail to give it the necessary priority. While the significance of health and well-being is broadly acknowledged, there exists a clear disparity in its execution that HR professionals ought to tackle by embedding well-being priorities into the organizational culture, leadership, and management of personnel. Consequently, the duty of fostering well-being does not rest solely with HR professionals, but also, and perhaps primarily, with senior managers, line managers, and the employees themselves. Indeed, the role of managers in advocating for employee well-being has recently attracted increased attention. Evidence indicates that the effect of high-performance work systems on employee well-being is shaped by the degree of trust established between employees and their managers, the emotional support offered by supervisors and managers, as well as the availability of continuing education, transparency of information, and open lines of communication [5,8-10].

In summary, a culture that values recognition improves employee's wellbeing in many ways, from social ties to career goals. Employees who believe recognition is key to their workplace culture are 91% more likely to feel successful. A key recognition of this culture is that employees openly give and receive recognition. When recognition happens throughout the company, it boosts everyone's well-being. Employees who get recognized by their managers and leaders a few times a month are twice as likely to feel successful [11-12].

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