

## **A Study of the Impact of Employee Well-Being Initiatives on Employee Performance and Retention Likely Hood: A Case Study**

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### **Abstract:**

*The implementation of Employee well-being practices definitely creates a better image of the organization as desirable place to work. In general Managers, Leaders, Supervisors & Employees believe that creation of healthier environment results for employees to increase their efforts and thus the overall productivity. Accordingly Managers and Leaders devote considerable resources of the organization to enhance employee well-being in various ways, from professional development and employee recognition practices to healthcare benefits and employee assistance programs. The fortune magazine honors such organizations that foster employee well-being with a “Best Companies to Work For” award. In today’s dynamic organizational culture, employee retention is a crucial aspect and hence most of the companies find it difficult to control the attrition rate and thereby retain their valuable employees. Most important reason for high attrition rate is the improper well-being policies / initiatives in the organization. Therefore organizations have to provide good well-being initiatives which not only provide job satisfaction but also help employees to enjoy their work with potential and have pride to do the same. In today’s competitive world it is essential for organization on one hand to have competitive employees and on other hand to retain them and hence Employee well-being is most crucial aspect for every organization. The aim of this study is to explore the impact of well-being policies / initiatives of the company on employee performance and retention likelihood of employees. Investigation revealed that employee well-being initiatives of the organization helps to increase job satisfaction and thereby improve likelihood of retention.*

**Keywords:** Workplace Health / Environment, Employee Well-being, Work Stress, Retention

**INTRODUCTION:** According to World Health Organization (WHO) an employee averagely spends 1/3<sup>rd</sup> of his life at work place. Hence workplace has prominent importance in employee’s life and thereby it is significant for employer to promote well-being of the employees. The wellbeing of employee, not only helps to satisfy them but moreover to increase their performance and especially to retain them. With the impact of globalization and thereby deregulation of the labour market, Indian workforce has undergone significant changes. Now a day’s technological advancements naturally results to replace the low and medium skilled labour which further leads to increasing the demand for highly skilled professionals and technicians. The desired output from an employee depends on workplace environment, his health and wellness. ‘Health’ and ‘wellness’ are terms that are often used interchangeably (Russell, 2009). WHO defines health as ‘a state of complete physical, mental and social well-being and not merely the absence of disease’, whereas wellness is defined as ‘a composite of physical, emotional, spiritual, intellectual, occupational, and social health (Reardon, 1998). Due to keen competitive work environment, most employees strives to achieve their given task and hence are subject to increased stress which ultimately results for health problems like heart attack, psychological disorders, disturbed sleep, nervousness, difficulty in concentration etc. It is true that under stress and ill health employees do not operate to the desired level of productivity therefore is a burden to the organization. It is important to note that healthy, active organizations benefit from both financial & productivity gains (Russell, 2009). Increasing levels of

stress and health related problems of employees can cost organizations through absenteeism, long term sick leaves, loss of production, overtime payments, employing extra temporary staff, extra training and administration cost for new staff, low morale, increase in injuries and diseases and decrease in job satisfaction. Finally such scenario may lead to increase in attrition rate of employee. The increase in employee attrition rate is now a common problem faced by large number of companies. Therefore it is prime need to study whether firstly the company has a well-being policy, secondly the initiatives taken in implementing well-being policies and lastly its impact on employee performance and retention likelihood. It is a fact that employee's performance level depends on various factors of workplace environment wherein health and well-being are of utmost importance. The positive workplace environment not only improves the productivity but there is likelihood of retention of employees. The main purpose of present research is study the impact of well-being initiatives implemented by the company on the retention likelihood of the employees and hence case study was undertaken of The Indian Card Clothing Company Ltd. Pune

**OBJECTIVES OF THE STUDY ARE:**

- a. To study different types of employee well-being initiatives practiced in the company.
- b. To examine the policy impact of employee well-being on performance & retention likelihood.
- c. To suggest the measures to improve employee performance and retention likelihood.

**RESEARCH METHODOLOGY:** The present research work descriptive in nature and is based on both primary and secondary data. A questionnaire was designed to collect the primary data wherein the 5 point Likert scale was used for rating. Total 150 respondents were selected randomly. The data collected was analyzed and percentages were drawn. The graphics of data and further the interpretation can lead to understand the opinion of the employees towards well-being initiatives adopted by the company and its impact on the retention likelihood. The secondary data referred has sources like books, magazines, journals, newspapers and websites.

**ANALYSIS AND FINDINGS:**

1. The study comprises the eight aspects of employee well-being. These aspects under study are shown in below figure 1.

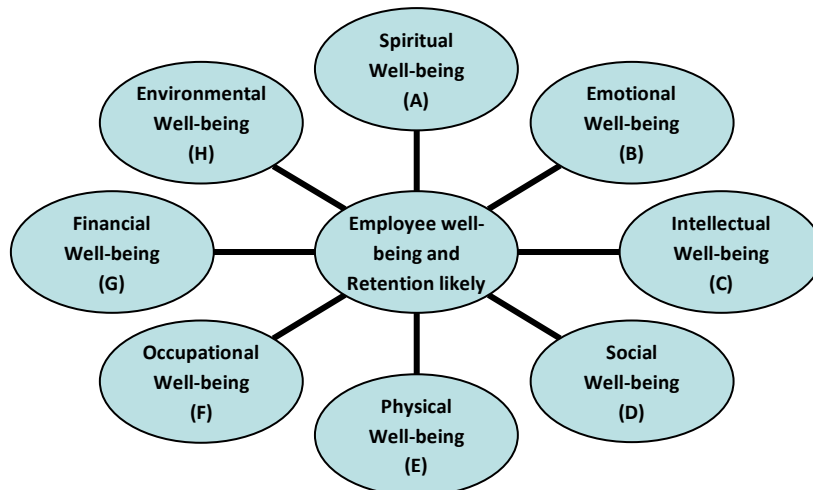


Figure 1

2. **EMPLOYEE WELFARE (Spiritual well-being) AND EMPLOYEE NON-DISCRIMINATION (Emotional well-being)**

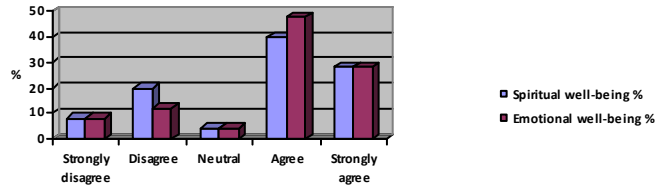


Figure 2: The opinion of the respondents regarding social well-being and emotional well-being can be observed in Figure 2. It is revealed that 28% of the respondents are found to Strongly Agree that the company provides adequate welfare facilities as well as there is no harassment from employer side. Similarly there are 40% or more employees who Agree to these aspects. On the other hand 8% of the respondents were found to Strongly Disagree about welfare facilities and may have suffered harassment at some time or the other. It can also be observed that 4% of employees remain Neutral regarding spiritual and emotional well-being initiatives of the company.

**3. EMPLOYEE DEVELOPMENT (Intellectual well-being) AND IMPACT OF NON-DISCRIMINATION ON EMPLOYEE PERFORMANCE**

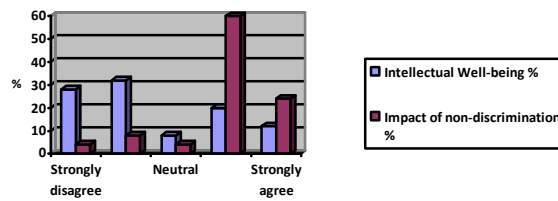


Figure 3: Figure 3 deals about Intellectual well-being and the impact of non-discrimination on employee performance. It is observed from the graph that nearly 60% of the employee either Strongly Disagree or Disagree regarding their intellectual well-being through the company initiatives like training and development opportunities. However contrast is the scenario when one finds that almost as high as 84% employee firmly believes that the company does not discriminate among employees and hence their performance is unaffected. The non-discrimination is a good indicator which proves that equal opportunity exists for almost all employees. This indicator is valuable to indicate the well-being policy adopted by the company wherein 48% have opinion that the training imparted to them is useful for growth opportunities.

**4. SOCIAL INVOLVEMENT (Social well-being) AND IMPACT OF SOCIAL INVOLVEMENT ON EMPLOYEE PERFORMANCE**

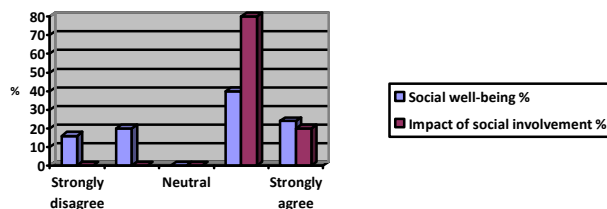


Figure 4: The social well-being and its impact on employee performance are correlated and are shown in Figure 4. It is observed from the graph that nearly 64% of the employee either Strongly Agree or Agree

regarding their social well-being through the company initiatives like supporting them in case they take part in social event or gathering. Similarly 100% of employees either Strongly Agree or Agree that organization of the family get together every year by the company certainly helps to build the family atmosphere and hence cohesive family bonding is experienced. This indicator is valuable to indicate the company takes care of social well-being of employees.

**5. EMPLOYEE CARING (Physical well-being) AND IMPACT OF EMPLOYEE CARING ON EMPLOYEE PERFORMANCE**

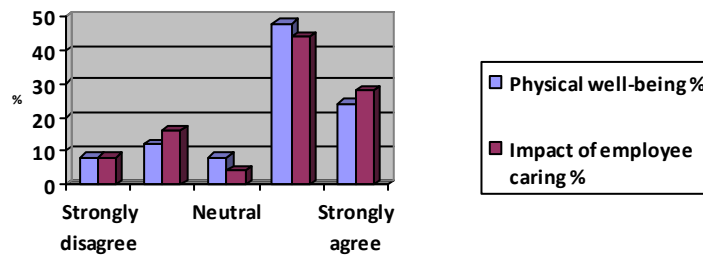


Figure 5: Figure 5 deals about physical well-being and its impact on employee performance. It is from the said figure that nearly 72% of the employees are in favour and supports the company initiatives regarding their physical well-being. The company initiatives are like covering all employees adequately under medical insurance as well for arranging annual medical check-up for all of them. On the other hand 20% of the respondents were found to Disagree about employee caring initiatives and this is so as those few have suffered physical discomfort. It can also be observed that 4% of employees remain Neutral regarding physical well-being.

**6. EMPLOYEE SAFETY (Occupational well-being) AND IMPACT OF EMPLOYEE SAFETY ON EMPLOYEE PERFORMANCE**

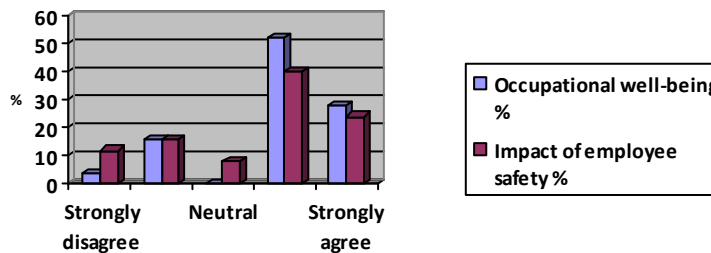


Figure 6: The opinion expressed regarding the occupational well-being and its impact on employee performance is depicted in Figure 6. Here it is observed that more than 64% of the employee either Strongly Agree or Agree about the company initiatives like providing safe working conditions and provision of appropriate safety measures / personal protective equipment which leads for occupational wellbeing. On the other hand it is also known that more than 20% of the respondents Strongly Disagree. Such employees are concerned for safety initiatives are not found to be satisfied with the present day company initiatives and hence they are worried about occupational hazards.

**7. EMPLOYEE REWARDS (Financial well-being) AND IMPACT OF EMPLOYEE REWARDS ON EMPLOYEE PERFORMANCE**

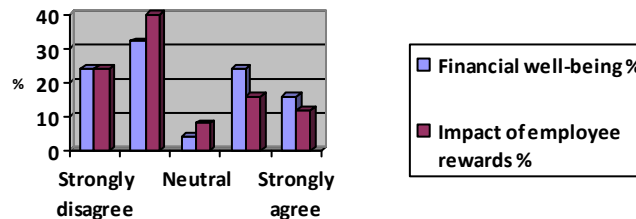


Figure 7: Figure 7 shows the respondent’s expression about financial well-being and its impact on employee performance. More than 56% of the employees are found to Strongly Disagree or Disagree regarding their financial well-being through the company initiatives like conducting regular salary reviews as well as rewarding performing employees. Also there seems to be lack of providing appropriate opportunities for promotion to higher grade and assigning of responsibilities. The respondents who Strongly Agree about employee rewards initiatives and have been rewarded for their performance account for 28%. There are 4% employees remain who wish to remain Neutral regarding financial well-being.

**8. COMPANY ENVIRONMENT (Environmental well-being) AND IMPACT OF COMPANY ENVIRONMENT ON EMPLOYEE PERFORMANCE**

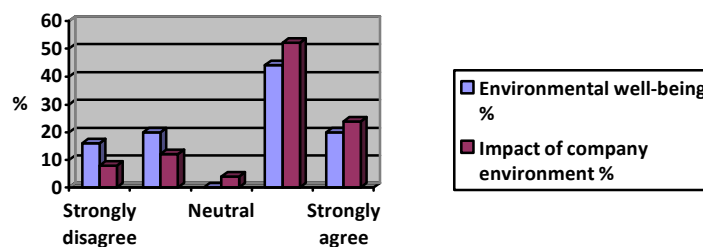


Figure 8: The environmental well-being and its impact on employee performance form an important component of any company. In case of ICC Ltd. 64% of the employee were found either Strongly Agree or Agree regarding environmental well-being. The idea to agree is mainly due to the company provision of proper ventilation, lighting & temperature inside the premises and also for having well designed work stations with noise free environment. In contrast to this there are 20% of the respondents who do not agree about environmental initiatives of the company and have hence expressed their environmental discomfort.

**SUGGESTIONS**

1. With regard to spiritual and emotional wellbeing, it is necessary that the HR of the company should reach-out to all employees so as to minimize the discomfort about present day implementation of welfare facilities.
2. The HR should also make efforts to create awareness about company policy towards non-discrimination.
3. Employees are found to have no proper training, it is necessary that whatever training is provided should be oriented as per need of work and this training concept should be made clear to respective employees.

4. It is need of the hour that ICC Ltd should design appropriate system for rewards and recognitions of employee performance as well as should have promotion policy for employee development. With such strategy company can have good retention rate as employees would have financial wellbeing and also do competency mapping to understand the skill sets required and available with individual and plan development activities based on gap analysis.
5. As part of financial wellbeing company should redesign present salary structure to avail maximum tax benefits for its employees.
6. The company should also look into wealth management of employees as it will help them to plan for retirement strategies. Hence seminars with expert financial consultants can be an option.
7. Lastly the strategy to welcome suggestion from employees should be adopted which will largely result for further wellbeing plans.

**CONCLUSION:**

From the present study it is clear that the wellbeing initiatives are important which certainly results not only for better performance of employee but also help to significantly tackle the situation of attrition of employees. Hence wellbeing initiatives are essential so as to have good retention likelihood.

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