

Evaluating Organizational Practices And Their Impact On Employee Mental Health And Performance

Ms. Pooja Masal, Mrs. Madhura Joshi, Mrs. Amruta Tendulkar

MBA 2nd Year, International Institute Of Management Science, Pune, Maharashtra
Assistant Professor (BBA), International Institute Of Management Science, Pune, Maharashtra
Assistant Professor (MBA), International Institute Of Management Science, Pune, Maharashtra

Abstract:

Employee mental health has emerged as a critical concern for organizations seeking to enhance sustainable performance in increasingly complex and demanding work environments. Drawing on a human-centric perspective, this study examines the influence of key organizational practices—workplace culture, employee benefits, training and education, and equity and accessibility—on employee mental health and subsequently investigates the effect of mental health on employee performance. Using survey data collected from 116 employees, the study employs Pearson correlation and regression analyses to test the proposed relationships. The findings reveal that all four organizational practices are positively and significantly associated with employee mental health, with equity and accessibility and employee benefits emerging as the strongest predictors. The regression model explains 25.6% of the variance in employee mental health, indicating the substantial role of organizational context in shaping psychological well-being. Further analysis demonstrates a strong positive correlation between employee mental health and employee performance, and regression results confirm that mental health significantly predicts performance outcomes. Although the explained variance in performance is modest, the results underscore the critical role of employee mental health as a mechanism linking organizational practices to performance. This study contributes to the growing literature on employee experience and workplace well-being by empirically validating the centrality of mental health in organizational effectiveness. The findings offer actionable insights for managers and policymakers, emphasizing the need to design equitable, supportive, and development-oriented work environments to foster both employee well-being and performance.

Keywords: *employee mental health; workplace culture; employee benefits; equity and accessibility; employee performance; employee experience*

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I. Introduction

Mental health in the workplace has evolved from a peripheral concern to a central pillar of organizational sustainability, employee well-being, and operational effectiveness. Over the last decade, the global shift toward knowledge-intensive work, digitalization, and highly competitive business environments has introduced new psychological pressures, significantly increasing the prevalence of workplace mental health concerns. Today's employees operate in an environment characterized by constant performance demands, rapid technological change, job insecurity, and evolving expectations of work-life integration—factors that collectively heighten stress, anxiety, and emotional fatigue.

The nature of work has undergone profound transformation, particularly with the widespread adoption of remote and hybrid work models post-COVID-19. While the transition enhanced flexibility and autonomy, it also blurred boundaries between personal and professional life. Employees now navigate longer working hours, digital fatigue from constant online presence, isolation due to reduced social interactions, and challenges in maintaining focus amid home responsibilities. These changes significantly affect mental well-being, communication patterns, and adjustment processes within organizations. Furthermore, technology-driven workplaces often emphasize fast-paced decision-making, multitasking, and continuous availability, leading to cognitive overload. High job expectations, increased monitoring through digital tools, and pressure to meet tight deadlines create additional psychological strain. In such environments, employees often experience emotional exhaustion, burnout, and diminished job satisfaction. Historically, mental health was treated as a personal issue rather than an organizational concern. However, global research and industry trends have increasingly shown that mental health directly impacts key organizational outcomes such as productivity, employee engagement, absenteeism, retention, innovation, and customer service quality. As a result, organizations across the world are acknowledging mental health as a strategic business priority.

Leading global bodies such as the **World Health Organization (WHO)** and the **International Labour Organization (ILO)** have emphasized the economic and social consequences of poor mental health. The WHO's

2022 report highlighted that anxiety and depression cost the global economy nearly **US\$ 1 trillion annually** in lost productivity. This revelation has made corporate leaders more aware of the need for proactive mental health strategies, not only for ethical reasons but also to ensure long-term organizational resilience. In India, workplace mental health has gained significant attention in recent years due to rising stress levels, burnout cases, and increasing employee turnover in industries such as IT, software services, business process outsourcing (BPO), banking, and retail. Long working hours, demanding clients, competitive work culture, and job insecurity contribute heavily to mental health challenges among employees.

Despite growing awareness, Indian employees often struggle in silence due to societal stigma, fear of career repercussions, and insufficient organizational support. Many employees hesitate to disclose mental health concerns, fearing judgment or discrimination. This cultural dimension makes the Indian corporate context distinctly complex, as employees may choose to prioritize job security over seeking psychological help. Although many organizations claim to support mental health, there often exists a disconnect between policy design and real employee experience. Corporate wellness programs frequently emphasize physical health—fitness challenges, medical camps, or insurance benefits—while mental health receives limited systematic attention. Even when mental health policies exist, they may lack accessibility, inclusiveness, cultural sensitivity, or measurable outcomes. Employees may also be unaware of available resources due to inadequate communication. In many organizations, mental health initiatives are conducted sporadically or merely to meet compliance requirements, without meaningful follow-up or impact assessment.

II. Review Of Literature

Employee mental health has increasingly been recognized as a critical determinant of organizational success, a view supported by extensive empirical evidence across global and Indian contexts. Research grounded in Human Relations Theory confirms that employee well-being is positively correlated with higher productivity, indicating that organizations which safeguard psychological health benefit from enhanced performance and stronger interpersonal dynamics (Murphy, 2024). In line with this, Bhadane et al., (2025) argues that addressing mental health concerns and cultivating psychologically healthy work environments are essential for improving engagement, productivity, and retention. The literature consistently shows that promoting employee mental health yields mutual advantages for both employees and employers. Yacoub et al. (2022) found that improvement in mental well-being directly contributes to increased work productivity and organizational effectiveness. Employee engagement, a central construct in modern workplace psychology, acts as a mediator between organizational justice, workplace spirituality, and mental health outcomes, reaffirming its significance in fostering overall employee well-being (Sharma & Kumra, 2020). Organizational culture and leadership emerge as dominant themes across studies. Monteiro and Joseph (2023) highlight that a supportive culture—reflected in empathetic leadership, adequate social support, balanced workloads, work-life harmony, and effective internal regulations—substantially enhances employee mental health. Complementing this perspective, Suleman et al. (2021) found that empowering leadership behaviours are strong predictors of psychological well-being, underscoring the pivotal role of leaders in shaping a positive and mentally healthy workplace climate. Beyond leadership and culture, structured workplace interventions also show considerable promise. Mohanty et al. (2023) demonstrated that well-designed mental health programs can sustainably reduce depressive symptoms and improve overall well-being. To ensure long-term effectiveness, Sahoo et al. (2021) advocate for integrated intervention frameworks that combine public health, psychology, and medical science, offering a holistic approach to the prevention and management of workplace mental health issues. These arguments align with findings by Pandya et al. (2022), who emphasized that prioritizing mental health is essential not only for individual well-being but also for achieving sustainable organizational success.

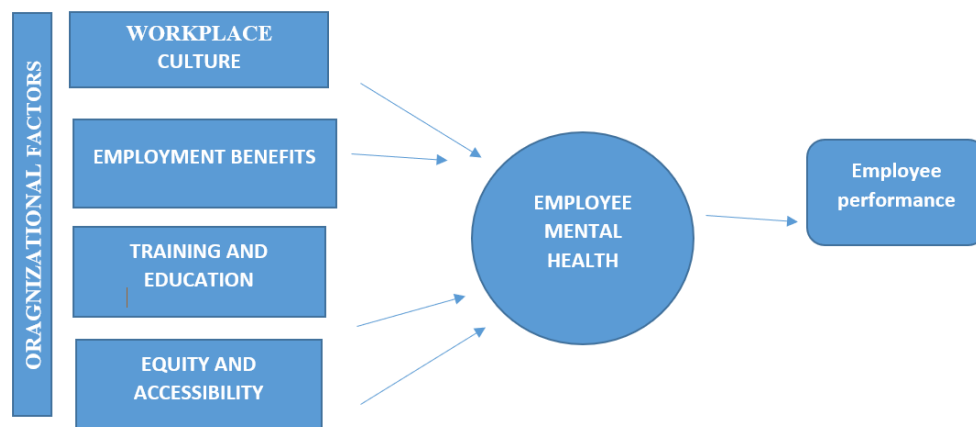
In the Indian context, however, literature highlights distinct challenges. Poddar (2024) reported that many employees avoid disclosing mental health issues due to stigma, fear of judgment, and concerns about career implications. This underscores the need for psychologically safe environments where employees can seek help without fear of discrimination. Similarly, Mohanty & Salvi (2023) found that although mental health initiatives exist in Indian organizations, many lack structured assessments and evidence-based approaches, limiting their overall effectiveness. Studies further identify multiple workplace stressors that elevate mental health risks. Sohal and Sharma (2025) identified heavy workloads, job insecurity, and insufficient managerial support as significant stressors contributing to psychological strain among Indian employees. Supporting this, Mohanty & Kulkarni (2024) found that employees often experience moderate to severe anxiety and depression despite demonstrating resilience, highlighting the urgent need for accessible mental health resources and supportive organizational cultures. Sector-specific insights also reveal high vulnerability in certain industries. Srija and Chitra (2024) examined Business Process Services (BPS) environments and reported elevated stress levels driven by excessive workloads, poor managerial support, and lack of recognition, often resulting in burnout. They recommend implementing targeted wellness programs and awareness initiatives to improve employee satisfaction and retention in high-pressure work settings. These national findings align with the global perspective outlined by the

World Health Organization (2022), which identifies anxiety and depression as among the leading causes of disability worldwide. WHO attributes much of this burden to toxic work environments, job insecurity, and inadequate organizational support. Accordingly, the report advocates for creating safe, inclusive, and supportive workplace ecosystems to prevent the escalation of mental health challenges. Collectively, these studies reveal a cohesive narrative: employee mental health is deeply influenced by organizational culture, leadership behaviour, workload management, inclusiveness of interventions, and the psychological safety climate of the workplace. The literature strongly supports the need for structured, evidence-based, culturally sensitive, and proactive mental health strategies. Implementing such measures not only enhances employee well-being but also strengthens productivity, retention, and long-term organizational sustainability.

III. Objectives

- To examine the influence of employee mental health on workplace productivity and overall organizational performance, in line with contemporary evidence-based research.
- To study the impact of organizational practices that affect employee mental health.
- To evaluate the effectiveness of existing mental health policies, interventions, and organizational initiatives in promoting psychological well-being among employees.

Proposed Theoretical Framework:



IV. Research Methodology:

Research Design

The present study adopted a **descriptive and analytical research design** to examine employees' mental health experiences and perceptions within an organizational setting. This approach was chosen to allow a thorough understanding of existing mental health challenges, organizational practices, and employee attitudes. The research utilized both **primary and secondary data sources**, thereby integrating qualitative insights with quantitative measures for comprehensive analysis. Primary data were gathered through a structured questionnaire, while secondary data were obtained from scholarly literature published between 2020 and 2025, including journal articles, WHO reports, organizational documents, and industry-based surveys. By combining descriptive methods with analytical statistical tools, the research aimed to derive accurate interpretations and meaningful conclusions about workplace mental health.

Data Collection

Data collection for the study was conducted using both primary and secondary methods. The **primary data** were collected through an online questionnaire administered to employees of **DeinertTech Software Pvt. Ltd.**, ensuring accessibility and convenience for respondents across various roles and departments. The **secondary data** consisted of information extracted from recent academic literature, government and WHO reports, and organizational publications from the period 2020–2025. These sources provided valuable contextual understanding and supported the interpretation of primary data findings. The combination of both data types enabled a well-rounded examination of workplace mental health issues.

Sample Design

The sample for the study comprised 116 employees, selected through a simple random sampling technique to ensure equal opportunity of participation and reduce sampling bias. Respondents represented diverse roles, departments, and experience levels within the organization, making the sample sufficiently varied for meaningful analysis. This sampling method facilitated objective representation of the overall employee

population at Deinertech Software Pvt. Ltd., enabling reliable generalization of the findings within the organizational context.

Tools Used

To analyze the data effectively, the study employed **correlation analysis**, **ANOVA**, and **regression analysis** as core statistical tools. The **Pearson correlation coefficient** was used to measure the strength and direction of linear relationships between variables such as employee mental health, productivity, organizational initiatives, and engagement. A positive correlation indicated that variables increased together, while a negative correlation suggested an inverse relationship. The significance of each correlation was tested using **p-values**, with results considered statistically significant at **p < 0.05**.

Additionally, **ANOVA (Analysis of Variance)** was applied to examine differences in mental health perceptions across different demographic or organizational groups. To further explore predictive relationships, **regression analysis** was conducted to estimate how independent variables—such as leadership support or workload—affected dependent variables like employee well-being or job satisfaction. By using the least squares method, regression analysis helped establish the best-fit line that minimized error and quantified the nature of these relationships. Together, these statistical tools provided robust evidence to evaluate organizational mental health policies and their effectiveness.

Limitations of the Study

Despite the strengths of the research design, the study had several limitations. First, the sample was restricted to employees from **one organization**, which may limit the generalizability of the findings to other industries or workplaces with different structures and cultures. Second, as the data were collected through **self-reported questionnaires**, responses may have been influenced by personal biases, social desirability, or reluctance to openly disclose mental health struggles. Third, mental health is inherently **subjective and multi-dimensional**, making it challenging to capture all psychological aspects quantitatively. Lastly, the **limited time frame** available for data collection may have restricted deeper exploration of long-term patterns or seasonal variations in mental health. These limitations suggest that future research should adopt a broader sample base, longer study duration, and additional qualitative methods to strengthen insights.

V. Data Analysis:

The data were analysed using a combination of **descriptive statistics**, **correlation analysis**, and **regression analysis** to examine the relationships between organizational practices, employee mental health, and employee performance. The analysis was conducted in a stepwise manner to first establish bivariate associations and then assess the predictive power of the independent variables through multivariate regression models.

Table 1. Relationship Between Organizational Practices and Mental Health

		Workplace culture	Employee benefits	Training education	Equity and accessibility
Mental health	Pearson correlation	331**	422**	253**	419**
	Sig. (2 tailed)	000	000	000	000
	N	116	116	116	116

Interpretation:

Table 1 presents the Pearson correlation coefficients examining the bivariate relationships between selected organizational practices—workplace culture, employee benefits, training and education, and equity and accessibility—and employees' mental health (N = 116).

The results indicate that **all organizational practices are positively and significantly correlated with mental health** at the 0.01 level. Employee benefits show the strongest association with mental health ($r = 0.422$, $p < 0.001$), followed closely by equity and accessibility ($r = 0.419$, $p < 0.001$). Workplace culture also demonstrates a moderate positive relationship with mental health ($r = 0.331$, $p < 0.001$), while training and education, though comparatively weaker, still exhibits a statistically significant positive association ($r = 0.253$, $p < 0.001$).

These findings suggest that employees report better mental health outcomes in organizations characterized by supportive cultures, equitable and accessible practices, comprehensive benefits, and opportunities for learning and development. The statistically significant correlations provide preliminary evidence supporting the inclusion of these variables in the regression model and justify further multivariate analysis.

Table 2 Summary for R And R² For Mental Health

Model	R	R square	Adjusted R square	Standard error of estimate
1	506	256	249	90646

Interpretation:

Table 2 summarizes the overall explanatory power of the regression model predicting mental health from organizational practices. The model yields an **R value of 0.506**, indicating a moderate positive relationship between the combined predictors and mental health.

The **R² value of 0.256** indicates that approximately **25.6% of the variance in employees' mental health** is explained by workplace culture, employee benefits, training and education, and equity and accessibility. The **adjusted R² of 0.249** suggests that the model maintains good explanatory strength even after adjusting for the number of predictors, indicating minimal inflation of explained variance.

While a substantial portion of variance remains unexplained—expected in mental health research due to the influence of personal, social, and contextual factors—the results confirm that organizational practices play a **meaningful and non-trivial role** in shaping employees' mental well-being. The standard error of estimate (0.90646) further suggests acceptable dispersion of observed values around the predicted mental health scores.

Table 3. Anova Showing the Fitness of Regression Model

Model		Sum of Square	df	Mean square	F	Sig.
1	Regression	111.722	3	27.930	33.992	.000 ^b
	Residual	324.559	113	.822		
	Total	436.281	116			

Interpretation:

The ANOVA results in Table 3 assess the overall fitness of the regression model. The model is statistically significant ($F = 33.992$, $p < 0.001$), indicating that the set of independent variables collectively provides a significantly better prediction of mental health than a model with no predictors.

The regression sum of squares (111.722) compared to the residual sum of squares (324.559) demonstrates that a meaningful proportion of variability in mental health is accounted for by the organizational factors included in the model. The statistically significant F-value confirms that the regression equation is valid and that workplace culture, benefits, training, and equity together explain systematic differences in employees' mental health outcomes.

Table no. 4 Coefficients of Regression Model

Model		Unstandardized coefficient		Standardized coefficient	t	Sig.	Collinearity statistics	
		B	Std Error	Beta			Tolerance	VIF
1	Constant	.775	.0249		3.115	.002		
	Workplace culture	.156	.54	.141	2.874	.004	.778	1.285
	Employee benefits	.263	.068	.210	3.856	.000	.663	1.579
	Training and education	.127	.061	.097	2.089	.038	.875	1.143
	Equity and accessibility	.270	.062	.229	4.369	.000	.684	1.462

a. Dependent variable: Mental Health

Interpretation:

Table 4 presents the unstandardized and standardized regression coefficients, t-values, and collinearity diagnostics for each predictor.

All four organizational practices emerge as **statistically significant predictors of mental health**, indicating that each contributes uniquely to the model when controlling for the others.

- **Equity and accessibility** is the strongest predictor ($\beta = 0.229$, $t = 4.369$, $p < 0.001$). This suggests that fair treatment, inclusive practices, and equal access to organizational resources play a critical role in supporting employees' mental health.
- **Employee benefits** also exert a substantial positive influence ($\beta = 0.210$, $t = 3.856$, $p < 0.001$), highlighting the importance of financial security, health coverage, and well-being programs in mitigating psychological strain.
- **Workplace culture** demonstrates a significant positive effect ($\beta = 0.141$, $t = 2.874$, $p = 0.004$), indicating that supportive, respectful, and psychologically safe work environments contribute meaningfully to employees' mental well-being.
- **Training and education**, while showing the weakest effect among the predictors, remains statistically significant ($\beta = 0.097$, $t = 2.089$, $p = 0.038$). This finding suggests that opportunities for skill development and learning may enhance mental health by fostering confidence, employability, and perceived organizational support.

The unstandardized coefficients indicate that increases in each organizational practice are associated with corresponding increases in mental health scores, holding other variables constant. Collinearity diagnostics further confirm the robustness of the regression model. Tolerance values range from 0.663 to 0.875, and all VIF values are well below the threshold of 5, indicating **no multicollinearity concerns** among the predictors. This confirms that each organizational practice contributes independently to explaining mental health outcomes.

Taken together, the findings demonstrate that **organizational practices significantly influence employees' mental health**, both individually and collectively. Equity and accessibility and employee benefits emerge as the most influential predictors, followed by workplace culture and training and education. The results underscore the importance of adopting a holistic organizational approach to mental well-being—one that integrates fair policies, supportive cultures, tangible benefits, and continuous learning opportunities.

The statistically significant correlations, robust regression model, and absence of multicollinearity provide strong empirical support for the role of workplace factors in shaping employee mental health. These results offer a solid foundation for subsequent discussion on theoretical contributions, managerial implications, and policy relevance.

Table no.5 Correlation Between Employee Mental Health and Employee Performance

Employee mental health	Employee mental health		
	Pearson's correlation	1	.765**
Employee performance	Sig (2 tailed)		.038
	N	116	116
	Pearson's correlation	.765**	1
Employee performance	Sig(2 tailed)	.038	
	N	116	

Interpretation:

Table 5 presents the Pearson correlation analysis examining the association between **employee mental health** and **employee performance** (N = 116). The results indicate a **strong, positive, and statistically significant relationship** between the two variables ($r = 0.765$, $p = 0.038$).

This finding suggests that employees who report better mental health tend to demonstrate higher levels of performance at work. The strength of the correlation implies that mental well-being is closely linked to employees' ability to remain productive, focused, and effective in their roles. The statistically significant p-value confirms that this relationship is unlikely to have occurred by chance, thereby providing empirical support for theoretical perspectives that position mental health as a critical driver of workplace performance.

Table no .6 Anova of Employee Performance

Anova						
Model		Sum of squares	df	Mean square	F	Sig
1	Regression	2.139	1	2.139	6.917	.009 ^a
	Residual	64.318	115	.309		
	Total	66.459	116			
A. Predictions (Constant), Employee Mental Health						
B. Dependent Variable: Employee Performance						

Interpretation:

Table 6 reports the ANOVA results assessing the overall significance of the regression model, where **employee mental health** is used as a predictor of **employee performance**. The model is statistically significant ($F = 6.917$, $p = 0.009$), indicating that employee mental health significantly predicts variations in employee performance.

The regression sum of squares (2.139) relative to the residual sum of squares (64.318) demonstrates that mental health explains a meaningful portion of variance in performance, even though other unmeasured factors also contribute. The significant F-statistic confirms that the regression model fits the data adequately and that employee mental health is a valid explanatory variable for predicting performance outcomes.

Table No. 7 Model Summary of Performance

Model summary				
Model	R	R square	Adjusted R square	Std. Error of estimate
1	.179 ^a	.032	.028	.55608

a.Predictor : (Constant) Employee Mental Health

Interpretation:

Table 7 presents the model summary statistics for the regression analysis. The **R value of 0.179** indicates a positive relationship between employee mental health and employee performance. The **R² value of 0.032** shows that mental health explains approximately **3.2% of the variance in employee performance**, while the adjusted R² value (0.028) accounts for model complexity.

Although the explained variance is relatively modest, this result is not unexpected in behavioral and organizational research, where performance outcomes are influenced by a wide range of individual, organizational, and contextual factors. Importantly, the findings demonstrate that mental health makes a **statistically significant and independent contribution** to performance, reinforcing its relevance as an organizational outcome variable.

The standard error of estimate (0.55608) indicates an acceptable level of dispersion around the predicted performance scores, further supporting the model's adequacy.

Table No 8. Coefficient Of Employee Performance

model		Unstandardized coefficients		Standardized coefficients	t	Sig.
		B	Std. error	Beta		
1	Constant	2.024	.937		2.160	.032
	Employee mental health	.022	.009	.179	2.630	.009
a. dependent variable: employee performance						

Interpretation:

Table 8 presents the regression coefficients for the model predicting employee performance from employee mental health. The unstandardized coefficient for employee mental health ($B = 0.022$, $p = 0.009$) indicates that improvements in mental health are associated with corresponding increases in employee performance, holding other factors constant.

The standardized beta coefficient ($\beta = 0.179$) confirms a positive effect size, demonstrating that mental health exerts a meaningful influence on performance outcomes. The t-value (2.630) further supports the statistical significance of this relationship.

The constant term is also statistically significant ($B = 2.024$, $p = 0.032$), indicating a baseline level of employee performance even when mental health is held constant. Together, these results provide empirical confirmation that employee mental health is a significant predictor of performance, supporting theoretical frameworks that emphasize psychological well-being as a foundation for sustained work effectiveness.

Collectively, the results from Tables 5–8 demonstrate that **employee mental health is positively and significantly associated with employee performance**. The strong correlation highlights the close linkage between psychological well-being and work outcomes, while the regression analysis confirms that mental health independently predicts performance, even when accounting for unexplained variance.

Although the proportion of variance explained is modest, the statistical significance of the findings underscores the importance of mental health as a critical organizational concern rather than a peripheral issue. These results reinforce the argument that organizations seeking to enhance performance should prioritize mental health initiatives as part of broader human resource and well-being strategies.

VI. Discussion And Implications

The findings of this study provide strong empirical evidence supporting the critical role of employee mental health in shaping employee performance. The correlation analysis reveals a strong and positive association between mental health and performance, indicating that employees who experience better psychological well-being are more likely to perform effectively at work. This finding is consistent with prior research that positions mental health as a foundational resource enabling concentration, motivation, and sustained work effort (Demerouti et al., 2001; Bakker & Demerouti, 2017).

The regression results further confirm that employee mental health is a statistically significant predictor of employee performance, even when considered as a single independent variable. Although the proportion of variance explained is modest, this is consistent with organizational behavior research, where performance outcomes are influenced by multiple interacting factors such as job design, leadership, skills, and organizational context. Importantly, the significance of the model demonstrates that mental health contributes independently to performance outcomes rather than serving merely as a background condition.

These findings align with the Job Demands–Resources (JD-R) model, which argues that psychological well-being enhances employees' capacity to mobilize cognitive and emotional resources, thereby improving task performance and reducing errors and disengagement. Employees with better mental health are more resilient to work demands and are better positioned to sustain performance over time. Conversely, compromised mental health may deplete energy and attentional resources, negatively affecting work outcomes.

The results also resonate with Conservation of Resources (COR) theory, which conceptualizes mental health as a valuable personal resource. When employees possess strong mental health, they are better able to invest effort and maintain performance. However, when this resource is threatened or depleted, performance is likely to suffer. Thus, mental health does not merely coexist with performance but actively shapes employees' capacity to meet job demands effectively.

VII. Managerial And Practical Implications

From a managerial perspective, the findings underscore the importance of prioritizing mental health initiatives as a strategic investment rather than a discretionary benefit. Organizations seeking to improve employee performance should recognize that mental health directly influences employees' ability to function effectively, sustain productivity, and deliver quality outcomes.

Practical interventions may include:

- Designing psychologically safe work environments
- Providing access to counseling and mental health support services
- Promoting work–life balance and manageable workloads
- Training managers to recognize and respond to mental health concerns empathetically

Given that mental health explains a meaningful portion of performance variance even on its own, organizations that neglect employee well-being risk undermining their performance objectives. Conversely, organizations that proactively support mental health may experience gains in productivity, reduced absenteeism, and improved overall effectiveness.

Policy Implications

At the policy level, the findings support the need for organizations and institutions to embed mental health considerations into human resource policies and organizational frameworks. Mental health should be treated as a core dimension of workplace health and safety, with formal policies that ensure access, equity, and sustained support.

Furthermore, these findings reinforce the relevance of integrating mental health into broader employee experience and well-being strategies, particularly in post-pandemic work environments where psychological strain has intensified. Policymakers and organizational leaders should view mental health promotion not only as a social responsibility but also as a driver of sustainable organizational performance.

Theoretical Contributions

This study makes several important theoretical contributions to the literature on employee well-being and performance. First, it advances organizational behavior and human resource management scholarship by empirically positioning employee mental health as a direct and significant antecedent of employee performance, rather than treating it solely as a peripheral outcome or a mediator within broader well-being models. By demonstrating that mental health independently explains variance in performance, the study strengthens theoretical arguments that psychological well-being constitutes a core individual resource essential for effective work functioning. Second, the findings extend the Job Demands–Resources (JD-R) model and Conservation of Resources (COR) theory by empirically validating mental health as a key personal resource that enables employees to mobilize cognitive and emotional capacities necessary for sustained performance. Third, the study contributes to the growing employee experience (EX) literature by reinforcing the notion that mental health represents a central evaluative dimension of employees' overall work experience, thereby bridging well-being research with performance-oriented organizational frameworks. Collectively, these contributions help shift the theoretical narrative from viewing mental health as a downstream consequence of work to recognizing it as a foundational driver of individual and organizational effectiveness.

Limitations And Future Research

Despite its contributions, this study is subject to several limitations that should be acknowledged and addressed in future research. First, the study relies on cross-sectional data, which restricts the ability to draw causal inferences between employee mental health and employee performance. Although the findings demonstrate statistically significant relationships, longitudinal or time-lagged research designs would allow future studies to examine how changes in mental health over time influence performance trajectories and vice versa. Such designs would strengthen causal claims and help capture the dynamic nature of employee well-being.

Second, the study uses self-reported measures for both mental health and performance, which may introduce common method variance and social desirability bias. While self-reports are appropriate for assessing subjective mental health experiences, future research could incorporate multi-source data, such as supervisor-

rated performance, objective productivity indicators, or clinical assessments, to enhance measurement robustness and reduce potential bias.

Third, the relatively modest explanatory power of the regression model suggests that mental health, while significant, represents only one of several factors influencing employee performance. Future studies should adopt more comprehensive models by integrating additional predictors such as job demands, leadership style, organizational support, job autonomy, and employee engagement. Embedding mental health within established theoretical frameworks, such as the Job Demands–Resources (JD-R) model or Conservation of Resources (COR) theory, would allow for a more nuanced examination of mediating and moderating mechanisms.

Fourth, the study's findings may be influenced by contextual and demographic factors that were not explicitly examined. Organizational characteristics (e.g., sector, firm size, remote or hybrid work arrangements) and individual differences (e.g., age, gender, tenure, coping strategies) may shape how mental health translates into performance outcomes. Future research should explore these boundary conditions through moderation analyses or comparative cross-sector and cross-cultural studies.

Finally, the sample size and geographic scope may limit the generalizability of the findings. Replicating the study across diverse organizational settings, industries, and national contexts would enhance external validity and provide richer insights into how institutional and cultural factors shape the mental health–performance relationship.

Directions For Future Research

Building on these limitations, future research should prioritize longitudinal and mixed method approaches to capture the evolving nature of employee mental health and its performance implications. Qualitative studies could complement quantitative findings by providing deeper insights into employees lived experiences of mental well-being at work. Further, future studies could examine mental health as a mediating mechanism linking organizational practices—such as workplace flexibility, leadership support, and employee experience initiatives—to performance outcomes. This would align with contemporary calls to integrate well-being more explicitly into strategic human resource management and employee experience research. Additionally, exploring moderating variables, such as psychological safety, perceived organizational support, or work–life balance, could help explain when and for whom mental health has the strongest impact on performance. Such work would offer both theoretical refinement and actionable guidance for organizations seeking to design evidence-based well-being interventions.

VIII. Conclusion

In summary, this study provides empirical evidence that employee mental health is a significant determinant of employee performance. The findings highlight mental health as a critical resource that enables employees to perform effectively and sustain productivity. By reinforcing the link between well-being and performance, the study contributes to theory, informs managerial practice, and supports policy efforts aimed at fostering healthier and more productive workplaces.

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