

The Mental Health in the Workplace as an Element of Organizational Sustainability

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1. Chapter 1: Introduction

1.1. Research Background

The growing recognition of mental health as a decisive factor in workplace effectiveness reflects broader global changes in how organizations understand employee wellbeing. Historically, organizational performance models emphasized physical safety and productivity; however, the shift toward knowledge-based economies and complex work environments has elevated the role of psychological well-being as a key driver of sustainable organizational outcomes. Over the past decade—and especially following the COVID-19 pandemic—mental health challenges such as burnout, emotional exhaustion, anxiety, and work-related stress have intensified across industries, prompting renewed academic and institutional interest in the dynamics between mental well-being and sustainable organizational practices (Kniffin et al., 2021).

Organizations today operate under pressures shaped by technological change, remote work arrangements, rising workloads, and an increasing demand for continuous innovation. These pressures have contributed to a noticeable rise in mental health concerns among employees. According to the World Health Organization (WHO) and the International Labour Organization (ILO) (2022), poor mental health at work results in substantial economic losses globally due to reduced productivity, presenteeism, absenteeism, and turnover. Such consequences highlight the necessity for organizational strategies that address psychological well-being as part of long-term sustainability planning.

Recent academic studies reinforce the view that workplace mental health is directly linked to organizational resilience, adaptability, and innovative capacity. Sonnentag (2021) notes that recovery and psychological resources are vital for maintaining long-term employee engagement and preventing burnout—a major threat to organizational stability. Furthermore, De Neve and Ward (2020) demonstrate that happier and healthier employees tend to perform better, collaborate more effectively, and contribute to a positive organizational culture, all of which are essential components of sustainable development.

Given these trends, there is a growing need for empirical research that examines how organizations can integrate mental health initiatives into their sustainability frameworks. Understanding this relationship is crucial not only for improving employee well-being but also for strengthening organizational competitiveness, ethical responsibility, and long-term viability.

In recent years, mental health in the workplace has emerged as a critical determinant of organizational functioning, employee well-being, and long-term sustainability. As contemporary organizations confront rapidly evolving socio-economic pressures—including digitalization, intensified workloads, and post-pandemic restructuring—employee psychological well-being has become increasingly vulnerable (Kniffin et al., 2021). This shift has prompted scholars and global institutions to recognize mental health not simply as an individual concern, but as a strategic organizational priority with substantial implications for productivity, workforce retention, and corporate reputation.

The World Health Organization (WHO) and the International Labour Organization (ILO) (2022) highlight that mental health challenges such as stress, anxiety, and depression significantly reduce organizational efficiency while simultaneously increasing absenteeism, presenteeism, and healthcare-related costs. These negative outcomes underscore the importance of integrating mental health considerations into organizational policies, leadership practices, and human resource management systems.

Furthermore, sustainable organizations—those committed to environmental, social, and governance (ESG) criteria—are increasingly expected to protect and promote employee psychological wellbeing as part of their social sustainability agenda.

Research within organizational psychology reinforces this perspective. Sonnentag (2021) emphasizes that recovery, resilience, and supportive work environments are essential for maintaining long-term employee performance and preventing burnout. Similarly, analyses of workplace wellbeing have demonstrated that mentally healthy work environments contribute to stronger organizational commitment, enhanced innovation, and improved stakeholder trust, positioning mental health as a foundation of sustainable organizational development (De Neve & Ward, 2020).

Given this context, it has become increasingly important to examine how mental health initiatives can be incorporated into organizational sustainability frameworks. Such integration not only enhances employee well-being but also strengthens organizational competitiveness, ethical responsibility, and resilience.

1.2. Research Problem

Although mental health is increasingly recognized as essential for employee wellbeing and organizational performance, many organizations still fail to incorporate psychological wellbeing into their sustainability strategies. This gap leads to challenges such as reduced productivity, higher absenteeism, and weakened organizational resilience (WHO & ILO, 2022). Research also shows that poor workplace mental health negatively affects long-term organizational sustainability, yet organizations often lack systematic approaches to address it (Kniffin et al., 2021).

Therefore, the core problem addressed by this study is the insufficient integration of workplace mental health within sustainability strategies, limiting the development of healthy and sustainable work environments.

1. Theoretical Gaps

Fragmented theoretical treatment of mental health across disciplines. Mental health research spans psychology, public health, and management, but theoretical integration across these domains is limited. Sonnentag (2021) highlights the importance of recovery and psychological resources, yet organizational sustainability literature rarely incorporates these psychological constructs. This fragmentation prevents the development of a holistic theoretical model linking wellbeing and sustainability.

1.4. Practical Gaps

Implementation gap between policy and practice. Organizations frequently adopt mental health policies, but employees report limited actual support—creating a gap between documented intentions and lived experiences (Kniffin et al., 2021). Without consistent monitoring and evaluation, mental health initiatives fail to translate into meaningful workplace improvements.

1.3. Research Significance

This research is significant because it highlights the essential role of mental health in achieving sustainable ergonomics. As workplaces face increasing pressures from digitalisation, rising workloads, and post-pandemic restructuring, understanding the impact of psychological well-being on long-term organisational stability has become crucial. By examining how mental health initiatives can be effectively integrated into sustainability strategies, this study offers valuable insights for organisations seeking to enhance productivity, reduce absenteeism, and foster stronger employee engagement.

1. Theoretical Level

This study integrates organizational psychology with sustainability theory, drawing upon models such as the Job Demands–Resources (JD-R) Model. It emphasizes how psychological well-being functions as a core component of sustainable organizational development.

2. Practical Level

The study provides actionable guidance for organizations seeking to integrate mental health initiatives into sustainability frameworks. It highlights supportive leadership, work–life balance policies, psychological safety, and employee-centered interventions.

3. Research Questions

- How do workplace mental health factors influence organizational sustainability?
- To what extent are mental health initiatives currently integrated into organizational sustainability practices?
- What organizational factors support or hinder the successful incorporation of mental health into sustainability frameworks?
- How do sustainable workplace practices contribute to improving employees' psychological well-being?
- What strategies can organizations adopt to strengthen the role of mental health within their long-term sustainability plans?

4. Research Objectives

To address the research questions, the following research objectives have been established:

1. Examine the relationship between mental health and organizational sustainability.
2. Assess the extent of integration of mental health initiatives within sustainability plans.
3. Identify organizational enablers and barriers affecting integration.
4. Explore how sustainable practices enhance psychological well-being.
5. Propose strategies to strengthen mental health integration within long-term sustainability plans.

1.10. Research Hypotheses

The following hypotheses are mixed

- Main Hypothesis (H1)

H1: Workplace mental health has a significant positive impact on organizational sustainability.

- Sub-Hypotheses

H1a: Organizations that implement mental health initiatives demonstrate higher levels of employee engagement and productivity.

H1b: Poor workplace mental health is positively associated with increased absenteeism, presenteeism, and turnover intention.

H1c: Sustainable workplace practices (e.g., supportive leadership, work–life balance policies, and healthy work environments) positively influence employees’ psychological well-being.

The integration of mental health initiatives into sustainability strategies enhances organizational resilience and long-term performance.

H1e: Organizational barriers—such as lack of training, limited resources, and weak leadership commitment—negatively affect the incorporation of mental health into sustainability frameworks.

Research Model

The research model is illustrated in Figure 1.



Figure 1. The research model diagram.