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

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Final Project - 2

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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 well-being 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.

1.1. 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.

1.1. 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.

I. 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.

II. 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.

III. 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?

IV. 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.

1.5. Research Hypotheses

The following hypotheses are mixed

- Main Hypothesis

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.

1.4. Research Model

The research model is illustrated in Figure 1.



Figure 1. The research model diagram.

1.5. Empirical Study

This study adopts an empirical approach to examine the relationship between workplace mental health and organizational sustainability. Primary data were collected from employees working in medium and large organizations using a structured questionnaire. The questionnaire measured key variables, including workplace mental health, mental health initiatives, organizational sustainability, and organizational barriers, using a five-point Likert scale.

A convenience sampling technique was employed to gather responses from participants across different departments and job levels, ensuring diverse perspectives. The collected data were analyzed using statistical software to test the proposed hypotheses. Descriptive statistics were used to summarize the data, while reliability analysis (Cronbach's alpha) ensured the consistency of the measurement scales. Additionally, correlation and multiple regression analyses were conducted to examine relationships between variables and assess the impact of workplace mental health on organizational sustainability.

The empirical findings are expected to support the hypothesis that improved workplace mental health contributes significantly to higher levels of employee engagement, productivity, and organizational resilience, thereby enhancing long-term sustainability.

1.4. Scope of The Study

The main goal of the study is to investigate how workplace mental health affects organizational sustainability. It especially looks on how workplace policies, initiatives and, mental health issues impact employee outcomes such as resilience, productivity and, engagement.

The research is limited to employees working in medium and large organizations, where formal sustainability strategies and mental health practices are more likely to be implemented. It considers various organizational factors, including leadership support, work–life balance policies, and psychological safety, as well as barriers such as limited resources and lack of training.

The study adopts a quantitative, cross-sectional approach, collecting data at a single point in time through a structured questionnaire. Therefore, the findings reflect current perceptions and practices rather than long-term changes.

Geographically, the study is confined to the selected sample accessible to the researcher, which may limit the generalizability of the results. Despite these limitations, the study provides valuable insights into the integration of mental health within organizational sustainability frameworks.

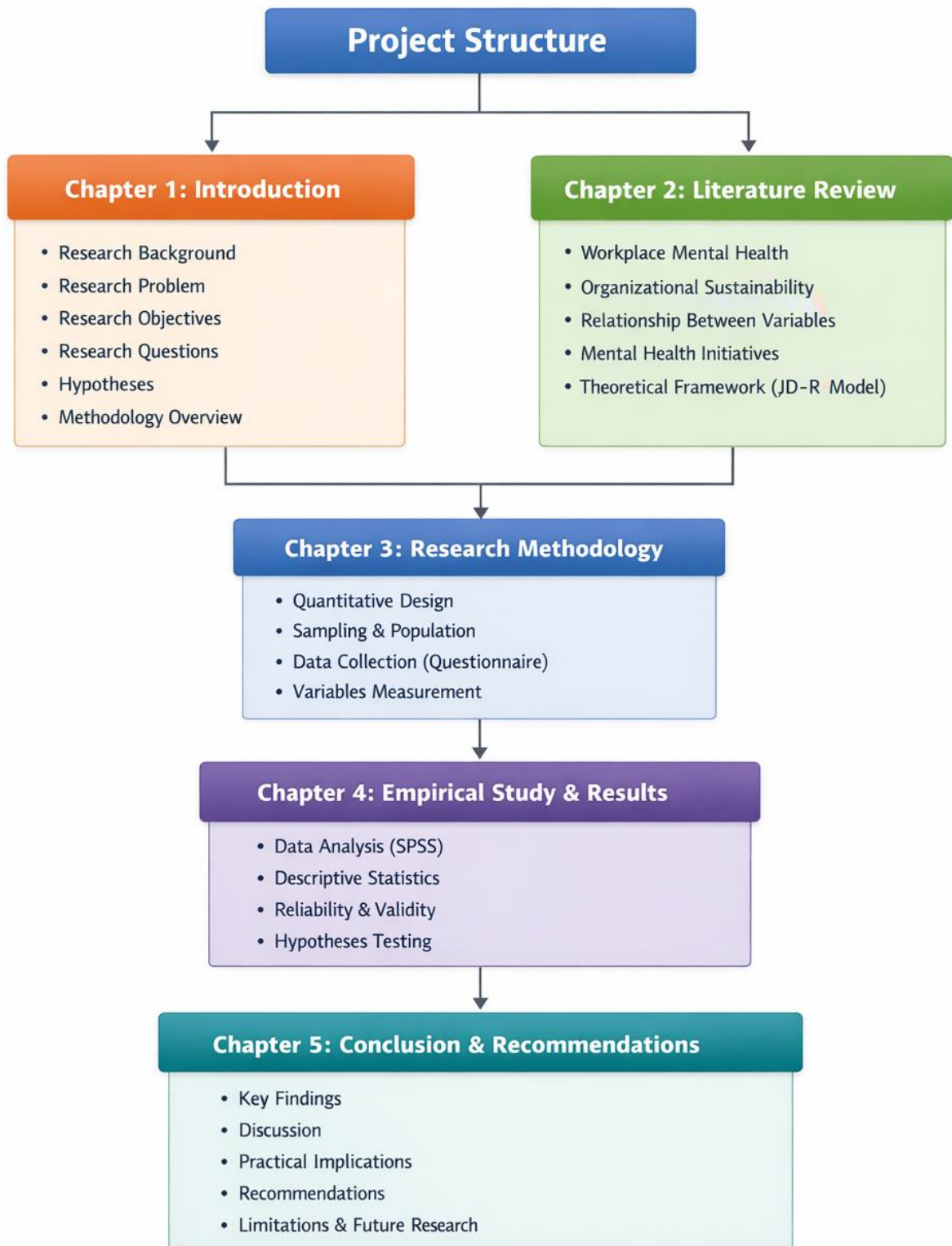


Figure 2: Project Structure. Source: Developed by the researcher (2026)

2.Chapter 2: Literature Review

2.1. Introduction

A clear identification and understanding of the study variables are essential for establishing a robust conceptual framework and guiding the analytical process. In this regard, the present study examines workplace mental health as the independent variable and organizational sustainability as the dependent variable. These variables are fundamental to understanding how employees' psychological well-being influences organizational performance and long-term sustainability. This section provides a comprehensive discussion of each variable and critically examines the relationship between them, thereby forming the theoretical basis for the proposed hypotheses and empirical analysis.

2.2. The independent variable

Workplace Mental Health

The independent variable in this study is workplace mental health, which refers to the psychological, emotional, and social well-being of employees within the organizational environment. It encompasses factors such as stress levels, anxiety, burnout, emotional exhaustion, and psychological safety. Workplace mental health is influenced by job demands, organizational culture, leadership style, and interpersonal relationships.

A positive mental health environment is characterized by supportive leadership, manageable workloads, open communication, and a culture that promotes psychological safety. Conversely, poor workplace mental health arises from excessive job demands, lack of support, role ambiguity, and unhealthy work conditions. In this study, workplace mental health is treated as a key predictor that influences organizational outcomes, particularly sustainability.

2.3. The dependent variable

Organizational Sustainability

The dependent variable in this study is organizational sustainability, which refers to an organization's ability to maintain long-term performance while addressing economic, social, and environmental responsibilities. Within this research, sustainability is primarily examined from a social and organizational perspective, focusing on employee-related outcomes.

Organizational sustainability includes factors such as employee engagement, productivity, retention, and organizational resilience. Sustainable organizations prioritize the well-being of their workforce by creating supportive and inclusive work environments. These organizations are better equipped to adapt to change, maintain stable performance, and achieve long-term success. In this study, organizational sustainability is the outcome variable that is influenced by workplace mental health.

2.4. The relationship between the independent and the dependent variables

The relationship between workplace mental health and organizational sustainability is widely supported in organizational psychology and sustainability literature. Workplace mental health plays a critical role in shaping employee attitudes, behaviors, and overall performance, which directly impact organizational sustainability.

Positive mental health conditions contribute to higher levels of employee engagement, increased productivity, stronger organizational commitment, and improved resilience. Employees who experience psychological well-being are more likely to collaborate effectively, adapt to change, and contribute to innovation. On the other hand, poor mental health leads to negative outcomes such as absenteeism, presenteeism, burnout, and turnover, which weaken organizational performance and sustainability.

Therefore, workplace mental health is expected to have a significant positive impact on organizational sustainability. Organizations that invest in mental health initiatives and supportive workplace practices are more likely to achieve sustainable development and long-term success.

2.5. Conclusion

In summary, this section has provided a detailed conceptualization of the key variables and their interrelationship within the context of the study. Workplace mental health, as the independent variable, exerts a significant influence on organizational sustainability, the dependent variable. The analysis demonstrates that positive psychological well-being contributes to enhanced employee engagement, productivity, and organizational resilience, whereas poor mental health undermines these outcomes. Consequently, promoting workplace mental health is essential for organizations aiming to achieve sustainable performance and long-term organizational success.

3. Chapter 3: Research Methodology

3.1. Introduction

This chapter outlines the methodological framework adopted to investigate the relationship between workplace mental health and organizational sustainability. It describes the research design, operational definitions of variables, population and sampling techniques, data collection methods, and statistical analysis procedures. The purpose of this chapter is to ensure methodological rigor, reliability, and validity in addressing the research objectives and testing the proposed hypotheses (Saunders et al., 2019).

3.2. Operational definitions for research variables

To ensure clarity and measurability, the key variables in this study are operationally defined as follows:

- **Workplace Mental Health (Independent Variable):**
Measured through indicators such as stress levels, emotional exhaustion, and psychological safety (Sonnentag, 2021).
- **Organizational Sustainability (Dependent Variable):**
Assessed through employee engagement, productivity, and organizational resilience (De Neve & Ward, 2020).
- **Mental Health Initiatives (Mediating Variable):**
Represented by practices such as support programs and work–life balance policies (WHO & ILO, 2022).
- **Organizational Barriers (Moderating Variable):**
Includes limited resources, lack of training, and weak leadership commitment (Kniffin et al., 2021).

All variables are measured using a five-point Likert scale (Likert, 1932).

3.3. Research design (research onion)

This study is guided by the Research Onion framework developed by Saunders et al. (2019), which provides a structured approach to research design:

- **Research Philosophy:** Positivism
- **Research Approach:** Deductive
- **Research Strategy:** Survey
- **Research Choice:** Quantitative
- **Time Horizon:** Cross-sectional
- **Data Collection Technique:** Questionnaire

This framework supports hypothesis testing and ensures a systematic research process.

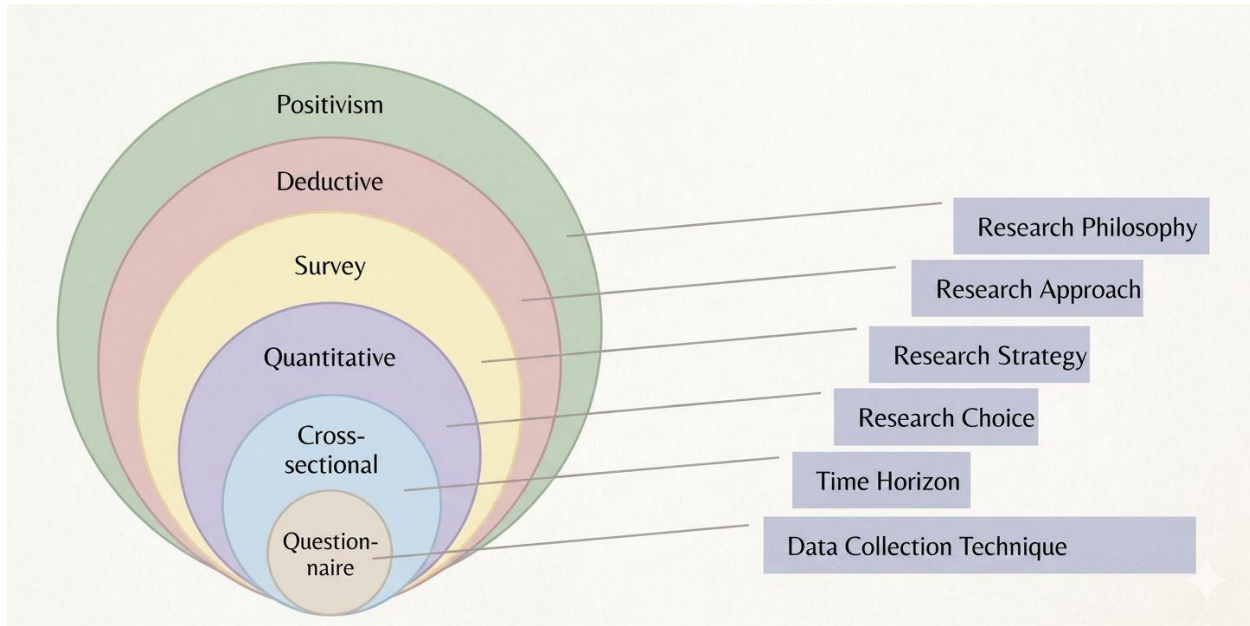


Figure 3: Research Onion. Source: Adapted from Saunders et al. (2019)

3.4. Research population & Sampling methods and technique

Component	Description
Research Population	The target population consists of employees working in medium and large organizations, where formal mental health policies and sustainability practices are more likely to exist. The population includes individuals from various departments and hierarchical levels to ensure diverse perspectives.
Population Characteristics	Employees from administrative, operational, and managerial roles are included. This diversity helps provide a comprehensive understanding of workplace mental health and organizational sustainability.
Sampling Method	A non-probability sampling method, specifically convenience sampling, is used due to time constraints and accessibility limitations (Saunders et al., 2019).
Sampling Technique	Data are collected through an (electronic) questionnaire distributed to employees across different organizations. Participants are selected based on availability and willingness to participate.
Sample Size	The sample size is determined based on feasibility and the requirements of statistical analysis. A sufficient number of responses is targeted to ensure reliable results for correlation and regression analysis (Creswell, 2014).

Justification of Sampling	Convenience sampling allows for efficient and practical data collection. Although it may limit generalizability, it is appropriate for this study and helps obtain relevant insights from accessible participants. Efforts are made to include diverse respondents to improve reliability.
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3.5. Data collection method

Primary data are collected through a structured questionnaire distributed electronically. The questionnaire measures workplace mental health, sustainability, and organizational practices using a Likert scale, ensuring consistency and comparability of responses (Bryman, 2016).

3.6. Types of data

This study uses:

- **Primary Data:** Collected via questionnaire
- **Secondary Data:** Derived from academic literature and reports

Quantitative data are used to facilitate statistical analysis (Creswell, 2014).

3.7. Statistical analysis procedures

Data are analyzed using SPSS software (Version 26). The analysis includes the following techniques:

- **Data Preparation:** Data are checked for accuracy, completeness, and consistency before analysis.
- **Descriptive Statistics:** Frequencies, percentages, means, and standard deviations are used to summarize the data (Field, 2018).
- **Reliability Analysis:** Cronbach's alpha is used to assess the internal consistency of the measurement scales, with values above 0.70 considered acceptable (Cronbach, 1951).
- **Correlation Analysis:** Pearson correlation is used to examine the relationship between variables.
- **Multiple Regression Analysis:** This is used to test the impact of workplace mental health on organizational sustainability and to evaluate the study hypotheses.

These techniques ensure a clear and reliable analysis of the data and support the testing of the research hypotheses.

3.8. Conclusion

This chapter has outlined the methodological approach used in the study. By adopting a quantitative, deductive design supported by the Research Onion framework, the study ensures a systematic and reliable analysis of the relationship between workplace mental health and organizational sustainability.