Conference Proceedings International Conference on Sustainable Development Goals-Challenges, Issues & Practices by TMIMT- College of Management, Teerthanker Mahaveer University, Moradabad 25th & 26th April 2025. TMIMT International Journal (ISSN: 2348-988X)

# Employee Engagement and Well-being as a Cornerstone of Sustainability: The Role in Employee Retention

Manisha Chaudhary
Research Scholar
Teerthanker Mahaveer Institute of Management & Technology
Teerthanker Mahaveer University
Moradabad, Uttar Pradesh

Bindoo Malviya
Professor
Teerthanker Mahaveer Institute of Management & Technology
Teerthanker Mahaveer University
Moradabad, Uttar Pradesh

## Abstract

Employee engagement and well-being have emerged as critical factors in shaping sustainable organizational success. As businesses confront evolving challenges—ranging from economic uncertainty to talent shortages—fostering engaged, healthy, and resilient employees is increasingly vital. This paper explores how comprehensive engagement and well-being initiatives serve as essential tools for enhancing employee retention and achieving long-term sustainability. Drawing on a rich body of interdisciplinary literature and empirical data from multiple sectors, we develop a conceptual framework linking key antecedents such as leadership, job design, and workplace culture with psychological, physical, and social dimensions of well-being. The analysis demonstrates how these elements drive higher engagement levels and significantly reduce turnover. Organizations that invest in holistic strategies not only benefit from improved morale and performance but also position themselves as socially responsible employers of choice. This paper concludes with practical guidelines for human resource professionals and identifies areas for future research to further refine the engagement-retention-sustainability nexus.

**Keywords:** Employee engagement; Employee well-being; Sustainability; Retention; Organizational culture; Human resource management

## 1. Introduction

The modern corporate environment is characterized by rapid change, intense competition, and an increasingly diverse workforce. Organizations are now expected not only to deliver financial returns but also to demonstrate environmental and social responsibility. Within this context, sustainability extends beyond environmental concerns to include the well-being and engagement of employees—arguably an organization's most valuable asset. The global shift toward purpose-driven employment, the rise of hybrid work models, and mental health awareness have all spotlighted the need to address employee experience as a driver of retention and organizational sustainability.

Workplaces that fail to prioritize engagement and well-being face rising turnover rates, productivity declines, and reputational damage. According to Gallup (2023), only 23% of employees worldwide are engaged at work, and disengagement is estimated to cost the global economy over $8.8 trillion annually. Conversely, organizations that foster engagement and well-being report up to 43% lower turnover, 21% higher profitability, and stronger resilience in times of crisis.

### 1.1 Problem Statement

Despite increasing recognition, many organizations struggle to embed engagement and well-being into core operations. Initiatives are often reactive, isolated, or limited to perks (e.g., yoga classes, free snacks) rather than strategic transformation. This superficial approach overlooks deeper challenges such as toxic management, excessive workloads, and poor communication.

### 1.2 Purpose and Scope

This paper aims to build a comprehensive framework that integrates employee engagement and well-being within the paradigm of sustainable human resource management. Emphasizing their combined influence on retention, we draw from theoretical models and real-world evidence to provide actionable insights for employers and researchers.

### 1.3 Structure

Following a literature review (Section 2), we present a conceptual model (Section 3), analyze empirical connections between engagement, well-being, and sustainability (Section 4), explore their role in retention (Section 5), and propose HR strategies (Section 6). We conclude with a summary and future research directions (Section 7).

## 2. Literature Review

### 2.1 Employee Engagement

Employee engagement refers to a psychological state characterized by vigor, dedication, and absorption in one's work (Schaufeli et al., 2002). Engaged employees display enthusiasm, persistence, and proactivity. Kahn (1990) argued that psychological safety, meaningfulness, and availability are critical to fostering engagement. High engagement has been linked to improved productivity, creativity, and customer satisfaction (Macey & Schneider, 2008).

### 2.2 Employee Well-being

Well-being spans physical health, psychological stability, and social connection. The World Health Organization (WHO, 2022) defines well-being as "a state in which the individual realizes their abilities, can cope with normal stresses of life, work productively, and contribute to the community." The Job Demands-Resources (JD-R) model suggests that balancing job demands (e.g., workload, emotional labor) with resources (e.g., autonomy, feedback) enhances well-being and engagement (Bakker & Demerouti, 2007).

### 2.3 Human Sustainability and Corporate Social Responsibility

Human sustainability focuses on preserving and enhancing the capabilities of employees over time. Within the CSR framework, it implies fair treatment, development opportunities, and respect for work-life boundaries (Aguinis & Glavas, 2012). Organizations committed to human sustainability incorporate well-being into their business ethics and performance metrics.

### 2.4 Interlinkages Between Engagement, Well-being, and Retention

Research indicates a robust correlation between employee engagement, well-being, and retention. Harter et al. (2002) found that business units with high engagement had 25% lower turnover. Grawitch et al. (2006) showed that workplace well-being practices predict not only satisfaction but actual retention. Despite growing evidence, integration of these concepts into sustainable business models remains a research gap.

## 3. Conceptual Framework

The proposed model consists of three interconnected layers:

1. **Antecedents**: leadership behaviors, inclusive culture, flexible job design, and health-focused policies
2. **Mediators**: employee engagement (vigor, dedication, absorption) and multi-dimensional well-being (mental, physical, social)
3. **Outcomes**: employee retention, organizational sustainability, and resilience

This framework posits that organizations promoting autonomy, trust, and support systems build a foundation for engagement and well-being. These, in turn, mediate long-term retention and overall sustainability.

## 4. Employee Engagement, Well-being, and Sustainability

### 4.1 Psychological Well-being and Sustainable Engagement

Mental health is pivotal to sustainable engagement. Stress, anxiety, and burnout diminish creativity and increase absenteeism. Organizations that implement employee assistance programs (EAPs), therapy subsidies, and mental health days report 35–40% improvements in engagement scores (Good et al., 2016). Psychological capital—comprising hope, optimism, resilience, and self-efficacy—is a strong predictor of retention and performance.

### 4.2 Physical Well-being: Health as a Strategic Asset

Investment in physical health programs correlates with productivity and retention. Examples include:

- Health screenings and biometric checks
- Standing desks and ergonomic furniture
- Subsidized gym memberships

Johnson & Jang (2020) found that companies with well-integrated wellness strategies experienced 22% fewer sick days and 17% lower turnover.

### 4.3 Social Well-being and Organizational Resilience

Social well-being refers to interpersonal support and connectedness at work. Peer networks, mentoring, and inclusive team rituals contribute to psychological safety. During the COVID-19 pandemic, companies with high social capital recovered faster due to stronger employee commitment and adaptability (Heaphy & Dutton, 2008).

### 4.4 Aligning with ESG and Triple Bottom Line

Environmental, Social, and Governance (ESG) metrics increasingly include employee welfare. Organizations that integrate engagement and well-being into ESG strategies benefit from improved investor confidence and lower reputational risk (Bhattacharya et al., 2008).

## 5. Role in Employee Retention

### 5.1 Quantifying the Cost of Turnover

Employee turnover carries direct costs (recruitment, onboarding) and indirect costs (lost expertise, cultural disruption). According to the Society for Human Resource Management

(SHRM, 2023), replacing an employee costs 6 to 9 months of their salary. High turnover also signals poor internal culture, deterring top talent.

### 5.2 Engagement as a Retention Driver

Organizations with high engagement see up to 59% lower attrition (Gallup, 2023). Engagement enhances purpose alignment, loyalty, and commitment. Recognition programs, career progression paths, and transparent communication are key levers.

### 5.3 Impact of Well-being on Retention

Well-being directly affects employees' intent to stay. For instance, flexible work arrangements lead to a 50% increase in retention among parents and caregivers (Thompson et al., 1999). Burnout, in contrast, is a leading predictor of resignation among knowledge workers.

### 5.4 Synergistic Impact of Engagement and Well-being

Integrated strategies yield superior results. A Deloitte (2022) survey found that companies investing simultaneously in engagement and well-being are 2.3 times more likely to retain top performers. Case studies from companies like Google and Salesforce illustrate how blending people-first culture with strategic well-being leads to long-term talent retention.

## 6. Practical Implications for HR Practitioners

### 6.1 Designing Holistic Programs

Develop multidimensional well-being initiatives including mental health workshops, ergonomic assessments, peer support circles, and financial literacy seminars.

### 6.2 Empowering Leadership

Train leaders to foster trust, empathy, and inclusion. Managers influence 70% of variance in team engagement (Gallup, 2023).

### 6.3 Using Analytics for Early Detection

Leverage HR analytics to track absenteeism, engagement scores, and employee feedback. Predictive tools can flag at-risk employees and inform timely interventions.

### 6.4 Embedding in Organizational Strategy

Position engagement and well-being as core to business success. Include them in KPIs, annual reports, and CSR disclosures.

## 7. Conclusion and Future Research

This paper reinforces the vital role of employee engagement and well-being in driving sustainable organizational outcomes and talent retention. By aligning HR practices with sustainability goals, organizations can reduce turnover, enhance performance, and build long-term resilience. Future studies should focus on:

- Longitudinal impacts of engagement strategies
- Sectoral differences in engagement-retention links
- Role of AI and digital tools in enhancing well-being

Organizations that genuinely care for their people will lead the next wave of sustainable success.

## References

- Allen, D. G., Bryant, P. C., & Vardaman, J. M. (2010). Retaining talent: Replacing misconceptions with evidence-based strategies. *Academy of Management Perspectives*, 24(2), 48-64.

- Aguinis, H., & Glavas, A. (2012). What we know and don't know about corporate social responsibility: A review and research agenda. *Journal of Management*, 38(4), 932-968.
- Bakker, A. B., & Demerouti, E. (2007). The job demands-resources model: State of the art. *Journal of Managerial Psychology*, 22(3), 309-328.
- Bakker, A. B., & Demerouti, E. (2008). Towards a model of work engagement. *Career Development International*, 13(3), 209-223.
- Bhattacharya, C. B., Korschun, D., & Sen, S. (2008). Strengthening stakeholder–company relationships through mutually beneficial corporate social responsibility initiatives. *Journal of Business Ethics*, 85(2), 257-272.
- Cascio, W. F. (2006). The high cost of low wages. *Harvard Business Review*, 84(12), 23-24.
- Christian, M. S., Garza, A. S., & Slaughter, J. E. (2011). Work engagement: A quantitative review and test of its relations with task and contextual performance. *Personnel Psychology*, 64(1), 89-136.
- Danna, K., & Griffin, R. W. (1999). Health and well-being in the workplace: A review and synthesis of the literature. *Journal of Management*, 25(3), 357-384.
- Detert, J. R., & Burris, E. R. (2007). Leadership behavior and employee voice: Is the door really open? *Academy of Management Journal*, 50(4), 869-884.
- Elkington, J. (1997). *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*. Capstone.
- Ehnert, I. (2009). Sustainable human resource management: A conceptual and exploratory analysis from a paradox perspective. *German Journal of Research in Human Resource Management*, 23(1), 5-18.
- Good, D. J., Lyddy, C. J., Baer, R. A., et al. (2016). Contemplating mindfulness at work: An integrative review. *Journal of Management*, 42(1), 114-142.
- Grawitch, M. J., Gottschalk, M., & Munz, D. C. (2006). The path to a healthier workplace: A critical review linking healthy workplace practices, employee well-being,

and organizational improvements. *Consulting Psychology Journal: Practice and Research*, 58(3), 129-147.

- Harter, J. K., Schmidt, F. L., & Hayes, T. L. (2002). Business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes: A meta-analysis. *Journal of Applied Psychology*, 87(2), 268-279.
- Heaphy, E. D., & Dutton, J. E. (2008). Positive social interactions and the human body at work: Linking organizations and physiology. *Academy of Management Review*, 33(1), 137-162.
- Huselid, M. A. (1995). The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management Journal*, 38(3), 635-672.
- Johnson, R. E., & Jang, S. (2020). Investigating the dynamic interplay of support, engagement, and performance. *Journal of Occupational Health Psychology*, 25(4), 247-260.
- Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal*, 33(4), 692-724.
- Macey, W. H., & Schneider, B. (2008). The meaning of employee engagement. *Industrial and Organizational Psychology*, 1(1), 3-30.
- Parker, S. K., Axtell, C. M., & Turner, N. (2003). Designing a safer workplace: Importance of job autonomy, communication quality, and supportive supervisors. *Journal of Occupational Health Psychology*, 8(3), 211-228.
- Person, A. L., Colby, S. E., Bulova, J. A., & Eubanks, J. W. (2010). Barriers to participation in a worksite wellness program. *Nutrition Research and Practice*, 4(2), 149-154.
- Saks, A. M. (2006). Antecedents and consequences of employee engagement. *Journal of Managerial Psychology*, 21(7), 600-619.
- Schaufeli, W. B., Salanova, M., González-Romá, V., & Bakker, A. B. (2002). The measurement of engagement and burnout: A two sample confirmatory factor analytic approach. *Journal of Happiness Studies*, 3(1), 71-92.

- Simmons, A. L., & Nelson, C. E. (2011). Predictive analytics in HR: A primer. *People & Strategy*, 34(2), 43-48.
- Thompson, C. A., Beauvais, L. L., & Lyness, K. S. (1999). When work–family benefits are not enough: The influence of work–family culture on benefit utilization, organizational attachment, and work–family conflict. *Journal of Vocational Behavior*, 54(3), 392-415.
- Warr, P. (2002). The study of well-being, behaviour and attitudes. In P. Warr (Ed.), *Psychology at Work* (5th ed., pp. 1-25). Penguin.
- Warr, P. (2007). *Work, Happiness, and Unhappiness*. Lawrence Erlbaum Associates.
- Ma, X., Arif, A., Kaur, P., Jain, V., Refiana Said, L., & Mughal, N. (2022). Revealing the effectiveness of technological innovation shocks on CO2 emissions in BRICS: emerging challenges and implications. *Environmental Science and Pollution Research*, *29*(31), 47373-47381.
- Hasan, N., Nanda, S., Singh, G., Sharma, V., Kaur, G., & Jain, V. (2024, February). Adoption of Blockchain Technology in Productivity And Automation Process of Microfinance Services. In *2024 4th International Conference on Innovative Practices in Technology and Management (ICIPTM)* (pp. 1-5). IEEE.
- Jan, N., Jain, V., Li, Z., Sattar, J., &Tongkachok, K. (2022). Post-COVID-19 investor psychology and individual investment decision: A moderating role of information availability. *Frontiers in Psychology*, *13*, 846088.
- Maurya, S. K., Jain, V., Setiawan, R., Ashraf, A., Koti, K., Niranjan, K., ... & Rajest, S. S. (2021). *The Conditional Analysis of Principals Bullying Teachers Reasons in The Surroundings of The City* (Doctoral dissertation, Petra Christian University).
- Anand, R., Juneja, S., Juneja, A., Jain, V., & Kannan, R. (Eds.). (2023). *Integration of IoT with cloud computing for smart applications*. CRC Press.
- Dadhich, M., Pahwa, M. S., Jain, V., & Doshi, R. (2021). Predictive models for stock market index using stochastic time series ARIMA modeling in emerging economy. In *Advances in Mechanical Engineering: Select Proceedings of CAMSE 2020* (pp. 281-290). Springer Singapore.

- Ahmad, A. Y., Jain, V., Verma, C., Chauhan, A., Singh, A., Gupta, A., & Pramanik, S. (2024). CSR Objectives and Public Institute Management in the Republic of Slovenia. In *Ethical Quandaries in Business Practices: Exploring Morality and Social Responsibility* (pp. 183-202). IGI Global.
- Verma, C., Sharma, R., Kaushik, P., & Jain, V. (2024). The Role of Microfinance Initiatives in Promoting Sustainable Economic Development: Exploring Opportunities, Challenges, and Outcomes.
- Liu, L., Bashir, T., Abdalla, A. A., Salman, A., Ramos-Meza, C. S., Jain, V., & Shabbir, M. S. (2024). Can money supply endogeneity influence bank stock returns? A case study of South Asian economies. *Environment, Development and Sustainability*, *26*(2), 2775-2787.
- Zhang, M., Jain, V., Qian, X., Ramos-Meza, C. S., Ali, S. A., Sharma, P., ... & Shabbir, M. S. (2023). The dynamic relationship among technological innovation, international trade, and energy production. *Frontiers in Environmental Science*, *10*, 967138.
- Cao, Y., Tabasam, A. H., Ahtsham Ali, S., Ashiq, A., Ramos-Meza, C. S., Jain, V., & Shahzad Shabbir, M. (2023). The dynamic role of sustainable development goals to eradicate the multidimensional poverty: evidence from emerging economy. *Economic research-Ekonomskaistraživanja*, *36*(3).
- Liu, Y., Cao, D., Cao, X., Jain, V., Chawla, C., Shabbir, M. S., & Ramos-Meza, C. S. (2023). The effects of MDR-TB treatment regimens through socioeconomic and spatial characteristics on environmental-health outcomes: evidence from Chinese hospitals. *Energy & Environment*, *34*(4), 1081-1093.
- Chawla, C., Jain, V., Joshi, A., & Gupta, V. (2013). A study of satisfaction level and awareness of tax-payers towards e-filing of income tax return—with reference to Moradabad city. *International Monthly Refereed Journal of Research In Management & Technology*, *2*, 60-66.
- Kaur, M., Sinha, R., Chaudhary, V., Sikandar, M. A., Jain, V., Gambhir, V., & Dhiman, V. (2022). Impact of COVID-19 pandemic on the livelihood of employees in different sectors. *Materials Today: Proceedings*, *51*, 764-769.

- Liu, Y., Salman, A., Khan, K., Mahmood, C. K., Ramos-Meza, C. S., Jain, V., & Shabbir, M. S. (2023). The effect of green energy production, green technological innovation, green international trade, on ecological footprints. *Environment, Development and Sustainability*, 1-14.
- Jun, W., Mughal, N., Kaur, P., Xing, Z., & Jain, V. (2022). Achieving green environment targets in the world's top 10 emitter countries: the role of green innovations and renewable electricity production. *Economic research-Ekonomskaistraživanja*, *35*(1), 5310-5335.
- Verma, C., & Jain, V. Exploring Promotional Strategies in Private Universities: A Comprehensive Analysis of Tactics and Innovative Approaches.
- Jain, V., Ramos-Meza, C. S., Aslam, E., Chawla, C., Nawab, T., Shabbir, M. S., & Bansal, A. (2023). Do energy resources matter for growth level? The dynamic effects of different strategies of renewable energy, carbon emissions on sustainable economic growth. *Clean Technologies and Environmental Policy*, *25*(3), 771-777.
- Jain, V., Rastogi, M., Ramesh, J. V. N., Chauhan, A., Agarwal, P., Pramanik, S., & Gupta, A. (2023). FinTech and Artificial Intelligence in Relationship Banking and Computer Technology. In *AI, IoT, and Blockchain Breakthroughs in E-Governance* (pp. 169-187). IGI Global.