

Employee Well-being and Organizational Performance of Manufacturing Firms in Delta State

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ABSTRACT

This study examined the relationship between employee well-being and organizational performance in manufacturing firms in Delta State, with particular emphasis on the effects of psychological and physical well-being. A cross-sectional survey research design was employed, and data were collected from a sample of 286 employees across five manufacturing firms using a multi-stage sampling technique. Structured questionnaires served as the primary instrument, and after screening, 266 valid responses were analyzed using descriptive statistics, Pearson correlation, and multiple regression analysis. Reliability analysis confirmed acceptable internal consistency for all constructs, with Cronbach's alpha values exceeding the 0.70 threshold. The results revealed that psychological well-being significantly and positively affects organizational performance ($\beta = 0.456, p < 0.001$), indicating that employees who are mentally and emotionally healthy are more productive, engaged, and committed to organizational goals. Similarly, physical well-being was found to have a significant positive effect on organizational performance ($\beta = 0.324, p < 0.001$), suggesting that employees with good physical health, safe working conditions, and adequate occupational support demonstrate higher productivity and reduced absenteeism. Together, psychological and physical well-being explained 53.9% of the variance in organizational performance ($R^2 = 0.539$), underscoring the critical role of employee wellness in manufacturing contexts. The findings highlight the strategic importance of employee well-being in enhancing organizational outcomes. Employees with strong psychological health exhibit greater engagement and focus, while those with good physical health maintain consistent productivity and lower absenteeism. The study concludes that investing in employee well-being through comprehensive wellness programs, occupational health initiatives, and supportive workplace policies is essential for sustaining performance, competitiveness, and long-term growth in the manufacturing sector. This research contributes to the broader discourse on organizational effectiveness by providing empirical evidence from the Nigerian manufacturing context, demonstrating the strategic importance of human capital management for productivity and sustainable growth.

Keywords: *Employee Well-Being, Psychological Well-Being, Physical Well-Being, Organizational Performance, Manufacturing Firms, Delta State*



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INTRODUCTION

Employee well-being has emerged as a critical construct in contemporary organizational research, particularly within the context of increasing workplace pressures, technological changes, and global competition. In recent years, organizations have shifted from viewing employee well-being as a mere welfare concern to recognizing it as a strategic driver of organizational performance. Empirical evidence suggests that organizations that prioritize the physical, psychological, and social well-being of their employees tend to experience higher productivity, improved employee engagement, and enhanced overall performance outcomes (Aravind, 2024; De Neve, 2024). This paradigm shift underscores the growing importance of human capital as a source of sustainable competitive advantage.

Employee well-being encompasses multiple dimensions, including mental health, job satisfaction, work-life balance, and physical health. These dimensions collectively influence employees' motivation, commitment, and ability to perform effectively. Studies have shown that employees who experience high levels of well-being demonstrate increased focus, reduced absenteeism, and greater organizational loyalty, all of which contribute positively to organizational performance (Hejase, 2024; Abdullah, 2025). Furthermore, psychological and social well-being have been identified as key predictors of innovation, productivity, and employee retention within organizations (Productivity Research Journal, 2024).

In the manufacturing sector, the relevance of employee well-being is even more pronounced due to the physically demanding nature of work, exposure to occupational hazards, and stringent production targets. Evidence from manufacturing firms indicates that well-being initiatives such as improved working conditions, health and safety measures, and welfare programs significantly enhance employee efficiency and job performance (Senthil & Harshitha, 2021). Additionally, a conducive work environment that minimizes stress and promotes well-being has been found to play a crucial role in improving employee performance and organizational outcomes.

In the Nigerian context, particularly within Delta State, manufacturing firms operate in a dynamic and often challenging environment characterized by infrastructural deficits, economic fluctuations, and workforce-related challenges. These conditions can adversely affect employee well-being, thereby impacting organizational productivity and performance. Prior studies in Nigeria have emphasized the importance of workplace well-being and job satisfaction in enhancing employee productivity and organizational effectiveness (Afolabi et al., 2023; Tamunomiebi & Daye, 2019). Despite these insights, there remains a paucity of empirical studies focusing specifically on the nexus between employee well-being and organizational performance within manufacturing firms in Delta State.

Against this backdrop, this study seeks to examine the relationship between employee well-being and organizational performance of manufacturing firms in Delta State. By exploring how various dimensions of well-being influence performance outcomes, the study aims to provide empirical evidence that can inform managerial practices and policy decisions. Ultimately, understanding this relationship is essential for developing strategies that foster a healthier workforce and enhance organizational sustainability and competitiveness.

Study Problem

In recent years, employee well-being has gained increasing attention as a critical determinant of organizational performance across industries. Despite this growing recognition, many manufacturing firms particularly in developing economies such as Nigeria continue to prioritize productivity targets and cost efficiency at the expense of employees' physical, psychological, and social well-being. This imbalance has contributed to rising cases of workplace stress, burnout, job dissatisfaction, and health-related challenges among employees, which may ultimately undermine organizational effectiveness and long-term sustainability (De Neve, 2024; Hejase, 2024). In Delta State, the manufacturing sector operates within a complex and often challenging environment characterized by inadequate infrastructure, inconsistent power supply, occupational hazards, and economic instability. These conditions tend to exacerbate workplace stress and negatively affect employee well-being. Consequently, employees may experience reduced morale, decreased commitment, and lower productivity levels, which can significantly hinder organizational performance. Although organizations invest in machinery, technology, and process improvements, insufficient attention is often given to human capital development and well-being initiatives that are essential for optimal performance outcomes (Afolabi et al., 2023).

Furthermore, empirical evidence on the relationship between employee well-being and organizational performance in Nigeria presents mixed and inconclusive findings. While some studies suggest a positive and significant relationship between well-being and productivity, others indicate weak or context-dependent effects, particularly in labour-intensive sectors such as manufacturing. This inconsistency highlights a gap in context-specific research, especially within Delta State, where socio-economic and organizational dynamics may differ from other regions. Additionally, many manufacturing firms in Delta State lack structured policies and programs aimed at promoting employee well-being, such as occupational health and safety measures, work-life balance initiatives, and psychological support systems. The absence of such frameworks may lead to increased

absenteeism, high employee turnover, low job satisfaction, and declining organizational performance. Despite these challenges, there is limited empirical investigation into how different dimensions of employee well-being influence the performance of manufacturing firms in the region. It is against this backdrop that this study seeks to examine the relationship between employee well-being and organizational performance of manufacturing firms in Delta State. Specifically, the study aims to address the gap in existing literature by providing empirical evidence on how employee well-being contributes to performance outcomes, thereby offering insights for managers and policymakers on the need to integrate well-being strategies into organizational practices for improved productivity and sustainability.

Study Objectives

- i. To determine the effect of psychological well-being on organizational performance of manufacturing firms in delta state
- ii. To determine the effect of physical well-being on organizational performance of manufacturing firms in delta state

Hypotheses

H₀₁: there is no significance between psychological well-being and organizational performance of manufacturing firms in delta state

H₀₂: there is no significance between physical well-being and organizational performance of manufacturing firms in delta state

LITERATURE REVIEW

Employee Well-Being

Employee well-being refers to the overall quality of an employee's experience at work, encompassing their physical, psychological, and social health within the organizational environment. It reflects the extent to which employees feel healthy, safe, satisfied, and supported in their roles, enabling them to function effectively and maintain a positive work-life balance. Employee well-being goes beyond the absence of illness to include positive states such as engagement, fulfillment, and resilience (De Neve, 2024; Hejase, 2024). Furthermore, employee well-being is often viewed as a multidimensional construct that integrates mental health, physical condition, emotional stability, and social relationships at work. Organizations that actively promote employee well-being through supportive policies, safe working conditions, and wellness programs tend to foster higher levels of job satisfaction, commitment, and productivity among employees (Afolabi et al., 2023). As such, employee well-being is increasingly recognized as a strategic asset that contributes to both

individual performance and overall organizational effectiveness.

Organizational Performance

Organizational performance refers to the extent to which an organization achieves its set goals and objectives efficiently and effectively through the optimal utilization of available resources. It encompasses both financial and non-financial outcomes, including profitability, productivity, market share, innovation, employee performance, and customer satisfaction. Organizational performance is often used as a key indicator of an organization's overall success and sustainability in a competitive business environment (Richard et al., 2009; Kaplan & Norton, 2007). Moreover, organizational performance is a multidimensional construct that evaluates how well an organization aligns its internal processes, human resources, and strategic initiatives to deliver desired outcomes. It involves measuring results across various perspectives such as financial performance, operational efficiency, and organizational effectiveness. The balanced scorecard approach, for instance, highlights the importance of integrating financial and non-financial indicators to provide a comprehensive assessment of performance (Kaplan & Norton, 2007). In addition, contemporary perspectives emphasize that organizational performance is not solely dependent on financial gains but also on intangible factors such as employee engagement, innovation capability, and organizational culture. Organizations that effectively manage these elements tend to achieve sustained competitive advantage and long-term growth (Daft, 2020). Therefore, organizational performance serves as a critical benchmark for evaluating how well organizations adapt to changing environments and achieve strategic success

Manufacturing Firms in Delta State

Manufacturing firms in Delta State refer to business organizations engaged in the transformation of raw materials into finished or semi-finished goods within Delta State, Nigeria, using labour, machinery, tools, and chemical or biological processes. These firms operate across various subsectors such as food and beverages, textiles, cement, plastics, and metal works, contributing significantly to industrial development, employment generation, and economic growth in the state (National Bureau of Statistics [NBS], 2023; Manufacturers Association of Nigeria [MAN], 2022). In the context of Delta State, manufacturing firms function within a dynamic socio-economic environment characterized by infrastructural challenges, fluctuating energy supply, and regulatory conditions that influence their productivity and operational efficiency. Despite these constraints, they remain critical drivers of local economic activities by adding value to raw materials, promoting industrialization,

and supporting regional development (Ajakaiye & Tella, 2021).

Furthermore, manufacturing firms in Delta State are often evaluated based on their production capacity, efficiency, innovation, and contribution to employment and revenue generation. Their performance is influenced by both internal factors such as workforce capability and management practices and external factors, including government policies, market conditions, and technological advancements. As such, these firms play a vital role in enhancing the economic resilience and industrial competitiveness of Delta State and Nigeria at large (MAN, 2022; NBS, 2023).

Psychological well-being and organizational performance of manufacturing firms

Psychological well-being plays a critical role in shaping organizational performance, particularly within manufacturing firms where employees are often exposed to high job demands, repetitive tasks, and stressful working conditions. Psychological well-being refers to employees' mental and emotional health, including their levels of stress, anxiety, job satisfaction, and overall emotional stability. When employees experience positive psychological well-being, they are more likely to be motivated, engaged, and committed to organizational goals, which significantly enhances performance outcomes (De Neve, 2024; Hejase, 2024). One of the primary effects of psychological well-being on organizational performance is increased productivity. Employees who are mentally healthy tend to demonstrate higher levels of concentration, efficiency, and creativity in their tasks. In manufacturing settings, this translates into improved production quality, reduced errors, and enhanced operational efficiency. Conversely, poor psychological well-being manifested through stress, burnout, or emotional exhaustion can lead to decreased productivity, increased absenteeism, and workplace accidents, all of which negatively impact organizational performance (Harter et al., 2020).

Additionally, psychological well-being significantly influences employee engagement and commitment. Employees who feel psychologically supported are more likely to develop a sense of belonging and loyalty to the organization. This results in lower turnover rates and reduced recruitment and training costs for manufacturing firms. High levels of engagement also encourage employees to go beyond their formal job roles, contributing to innovation and continuous improvement in production processes (Krekel et al., 2019). Furthermore, psychological well-being enhances teamwork and workplace relationships, which are essential in manufacturing environments that rely heavily on coordination and collaboration. Employees with positive mental health are better able to communicate effectively, resolve conflicts, and work cohesively in teams. This fosters a positive

organizational climate that supports knowledge sharing and collective problem-solving, ultimately improving organizational effectiveness (Afolabi et al., 2023). Moreover, organizations that invest in psychological well-being initiatives such as stress management programs, counseling services, and supportive leadership practices tend to achieve sustainable competitive advantage. These initiatives not only improve employee morale but also strengthen organizational resilience and adaptability in the face of economic and operational challenges. In manufacturing firms, where efficiency and consistency are paramount, and such investments can lead to long-term improvements in performance and profitability (De Neve, 2024). In summary, psychological well-being has a significant and positive effect on the organizational performance of manufacturing firms. It enhances productivity, employee engagement, teamwork, and organizational sustainability, while reducing negative outcomes such as absenteeism and turnover. Therefore, promoting psychological well-being should be a strategic priority for manufacturing firms seeking to improve performance and maintain competitiveness.

Physical well-being and organizational performance of manufacturing firms

Physical well-being is a crucial component of employee well-being that significantly influences organizational performance, particularly in manufacturing firms where work activities are often physically demanding and involve exposure to occupational hazards. Physical well-being refers to the overall health, safety, and physical condition of employees, including factors such as workplace safety, ergonomics, fatigue management, and access to healthcare support. When employees are physically healthy and work in safe environments, they are better able to perform their duties efficiently, thereby enhancing organizational productivity and effectiveness (World Health Organization [WHO], 2022; De Neve, 2024). One of the major effects of physical well-being on organizational performance is improved productivity. Employees who are in good physical health tend to have higher energy levels, better stamina, and greater concentration, which are essential for maintaining efficiency in manufacturing processes. In contrast, poor physical health can lead to fatigue, frequent illness, and reduced work capacity, resulting in lower output and diminished organizational performance (Goetzel et al., 2018). Thus, promoting physical well-being helps manufacturing firms achieve consistent production levels and high-quality outputs. Additionally, physical well-being contributes to reduced absenteeism and presenteeism. Employees who experience fewer health-related issues are less likely to be absent from work or perform below capacity due to illness. In manufacturing firms, where workflow is often interdependent, absenteeism can disrupt production schedules and increase operational costs. By investing in

health and safety measures, organizations can minimize such disruptions and maintain smooth operational processes (WHO, 2022). Workplace safety, as a dimension of physical well-being, also has a direct impact on organizational performance. Manufacturing environments often involve machinery, heavy equipment, and hazardous materials, which increase the risk of workplace accidents. Effective safety practices such as the use of protective equipment, adherence to safety standards, and regular health inspections help to reduce the incidence of injuries and fatalities. This not only protects employees but also prevents costly downtime, legal liabilities, and damage to organizational reputation (International Labour Organization [ILO], 2021).

Furthermore, physical well-being enhances employee morale and job satisfaction, which in turn influences performance outcomes. Employees who perceive their organization as caring about their health and safety are more likely to exhibit higher levels of commitment and motivation. This positive attitude fosters a productive work environment and encourages employees to contribute effectively to organizational goals (Afolabi et al., 2023). Moreover, organizations that prioritize physical well-being through initiatives such as wellness programs, ergonomic workplace design, and occupational health services are better positioned to achieve long-term sustainability. These initiatives not only improve individual health outcomes but also enhance organizational resilience and competitiveness in the manufacturing sector (De Neve, 2024). In conclusion, physical well-being has a significant positive effect on the organizational performance of manufacturing firms. It improves productivity, reduces absenteeism, enhances workplace safety, and boosts employee morale, all of which contribute to achieving organizational objectives. Therefore, manufacturing firms should integrate physical well-being strategies into their operational and human resource practices to ensure sustained performance and growth.

METHODOLOGY

This study adopts a systematic approach to examine the relationship between employee well-being and organizational performance of manufacturing firms in Delta State. The methodology is presented under the following sub-headings:

Research Design

The study employed a cross-sectional survey research design. This design is appropriate because it allows for the collection of data from a sample of respondents at a single point in time to examine relationships among variables. The choice of this design is consistent with prior studies on employee well-being and organizational performance, which emphasize the need to capture employees' perceptions and experiences in real organizational

settings (Saunders et al., 2019; Creswell & Creswell, 2018).

Study Area

The study was conducted in Delta State, Nigeria, a region known for its growing industrial base and concentration of manufacturing firms across sectors such as food processing, plastics, and construction materials. Delta State presents a suitable context due to its mix of urban and semi-urban industrial clusters, as well as the operational challenges faced by firms, including infrastructural deficits and workforce-related issues (National Bureau of Statistics [NBS], 2023).

Study Population

The study population comprised all employees of selected manufacturing firms in Delta State. This includes both managerial and non-managerial staff who are directly involved in production and administrative activities. The study consists of 1,000 employees, comprising 200 managerial staff **and** 800 non-managerial staff across the selected manufacturing firms. This categorization ensures adequate representation of different employee groups whose well-being and performance perceptions may vary within the organizational structure. The population is considered appropriate because employee well-being and organizational performance are influenced by the perceptions and experiences of workers across different organizational levels (Bryman, 2016).

Sample and Sampling Technique

A sample size was determined using a statistical sampling formula Taro Yamani suitable for finite populations to arrive at 286 respondents. A multi-stage sampling technique was adopted. First, manufacturing firms were purposively selected based on their operational scale and relevance. Second, stratified sampling was used to categorize employees into managerial and non-managerial groups. Finally, simple random sampling was employed to select respondents from each stratum to ensure equal representation and reduce sampling bias (Saunders et al., 2019).

Data Sources and Collection

The study utilized primary data collected through a structured questionnaire administered to employees of selected manufacturing firms. The questionnaire method was chosen due to its efficiency in gathering standardized data from a large number of respondents. Data collection was conducted through direct distribution and retrieval of questionnaires to ensure a high response rate and reliability of responses (Creswell & Creswell, 2018).

Research Instrument

The main research instrument for this study was a structured questionnaire divided into sections. Section A captured demographic information, while Section B measured the independent variables psychological well-being and physical well-being and the dependent variable—organizational performance. The items were adapted from validated scales in previous studies and measured using a five-point Likert scale ranging from “Strongly Disagree” to “Strongly Agree.” The instrument’s validity was ensured through expert review, while reliability was tested using Cronbach’s alpha coefficient, with a threshold of 0.70 considered acceptable (Hair et al., 2019).

Data Analysis

Data collected were analyzed using both descriptive and inferential statistics. Descriptive statistics such as mean and standard deviation were used to summarize respondents’ characteristics and responses. Inferential statistics, particularly multiple regression analysis, were employed to examine the effect of psychological well-being and physical well-being on organizational performance. Statistical analysis was conducted using software such as SPSS, with significance tested at the 0.05 level (Field, 2018).

Model Specification

The functional relationship between employee well-being and organizational performance is expressed as:
 $OP=f(PWB,PHWB)OP$

The econometric model is specified as:

$$OP=\beta_0+\beta_1PWB+\beta_2PHWB+\epsilon$$

Where:

OP = Organizational Performance (Dependent Variable)

PWB = Psychological Well-Being (Independent Variable)

PHW = Physical Well-Being (Independent Variable)

β_0 = Intercept

β_1, β_2 = Regression coefficients

ϵ = Error term

This model enables the study to assess the individual and combined effects of psychological and physical well-being on organizational performance of manufacturing firms in Delta State.

RESULTS

Returned and Valid Questionnaires

Out of the 286 questionnaires administered to employees of selected manufacturing firms in Delta State, 266 were

found valid for analysis, representing a high response rate of 93%, while 20 questionnaires (7%) were discarded due to incompleteness and inconsistencies (Table 1). This high response rate enhances the reliability and generalizability of the study findings, consistent with acceptable standards in social science research (Bryman, 2016).

Table 1: Returned and Valid Questionnaires.

| Description | Frequency | Percentage |
|-----------------------------|-----------|------------|
| Questionnaires Administered | 286 | 100% |
| Invalid Questionnaires | 20 | 7% |
| Valid Questionnaires | 266 | 93% |

Source: Field Survey, 2026

Demographic Characteristics of Respondents

Table 2 presents the demographic profile of respondents. The results show that the majority of respondents were male (63.2%), while females accounted for 36.8%. In terms of age distribution, most respondents fell within the 30–39 age bracket (39.1%), followed by those aged 20–29 (27.1%), 40–49 (23.3%), and 50 years and above (10.5%). Regarding educational qualifications, a significant proportion of respondents held HND/Bachelor’s degrees (57.9%), while 21.1% had SSCE/NCE qualifications and 21.0% possessed postgraduate degrees. In terms of job category, non-managerial staff constituted the majority (79.7%), whereas managerial staff accounted for 20.3%. These demographic patterns suggest a relatively young and educated workforce, which is typical of manufacturing firms in Nigeria and aligns with national labour structure reports (NBS, 2023; MAN, 2022).

Table 2: Demographic Characteristics of Respondents.

| Characteristic | Category | Frequency | Percentage |
|---------------------------|----------------|-----------|------------|
| Gender | Male | 168 | 63.2% |
| | Female | 98 | 36.8% |
| Age | 20–29 | 72 | 27.1% |
| | 30–39 | 104 | 39.1% |
| | 40–49 | 62 | 23.3% |
| | 50 and above | 28 | 10.5% |
| Educational Qualification | SSCE/NCE | 56 | 21.1% |
| | HND/Bachelor’s | 154 | 57.9% |
| | Postgraduate | 56 | 21.0% |
| Job Category | Managerial | 54 | 20.3% |
| | Non-Managerial | 212 | 79.7% |

Source: Field Survey, 2026

Preliminary Analysis

Data Screening and Normality

The dataset was examined for missing values, outliers, and normality. Missing data were minimal (less than 5%) and addressed using mean imputation, in line with

recommended statistical procedures (Hair et al., 2019). The skewness and kurtosis values fell within acceptable thresholds, indicating that the data met the assumptions for parametric analysis.

Reliability Analysis

Table 3 presents the Cronbach's alpha coefficients used to assess the internal consistency of the measurement scales. Psychological well-being recorded an alpha value of 0.825, physical well-being 0.812, and organizational performance 0.878. All values exceeded the minimum threshold of 0.70, indicating satisfactory reliability of the constructs (Nunnally & Bernstein, 1994). This confirms that the measurement instruments are consistent and suitable for further inferential analysis.

Table 3: Scale Reliability (Cronbach's Alpha).

| Construct | Number of Items | Cronbach's Alpha |
|----------------------------|-----------------|------------------|
| Psychological Well-Being | 6 | 0.825 |
| Physical Well-Being | 5 | 0.812 |
| Organizational Performance | 7 | 0.878 |

Source: Field Survey, 2026

Descriptive Statistics

The descriptive statistics of the study variables are presented in (Table 4). Psychological well-being recorded the highest mean score ($M = 4.02$, $SD = 0.58$), indicating a high level of perceived psychological well-being among employees. Physical well-being had a mean of 3.89 ($SD = 0.61$), while organizational performance recorded a mean of 3.95 ($SD = 0.64$), both interpreted as moderate to high. These findings suggest that employees generally perceive favorable well-being conditions within their organizations, which may enhance productivity and efficiency. This aligns with prior studies emphasizing the role of employee well-being in improving workplace outcomes (Harter et al., 2020; WHO, 2022; De Neve, 2024).

Table 4: Descriptive Statistics of Study Variables.

| Variable | Mean | Standard Deviation | Interpretation |
|----------------------------|------|--------------------|----------------|
| Psychological Well-Being | 4.02 | 0.58 | High |
| Physical Well-Being | 3.89 | 0.61 | Moderate-High |
| Organizational Performance | 3.95 | 0.64 | Moderate-High |

Source: Field Survey, 2026

Correlation Analysis

Table 5 presents the Pearson correlation matrix for the study variables. The results indicate a strong positive and significant relationship between psychological well-being and organizational performance ($r = 0.618$, $p < 0.01$).

Similarly, physical well-being is positively correlated with organizational performance ($r = 0.562$, $p < 0.01$). Additionally, psychological well-being and physical well-being are significantly correlated ($r = 0.543$, $p < 0.01$). These findings imply that improvements in employee well-being are associated with enhanced organizational performance. This is consistent with empirical evidence suggesting that well-being is a critical determinant of productivity and organizational effectiveness (Krekel et al., 2019; Hejase, 2024; Kumar et al., 2026). Furthermore, the interrelationship between psychological and physical well-being supports the holistic perspective of employee health as emphasized in workplace well-being models (Goetzel et al., 2018; Kadambala et al., 2026).

Table 5: Pearson Correlation Matrix.

| Variable | 1 | 2 | 3 |
|----------------------------|---------|---------|---|
| Psychological Well-Being | 1 | | |
| Physical Well-Being | 0.543** | 1 | |
| Organizational Performance | 0.618** | 0.562** | 1 |

Note: $p < 0.01$; Source: Field Survey, 2026

Regression Analysis

Multiple regression analysis was conducted to examine the effect of psychological and physical well-being on organizational performance (Table 6). The model summary indicates a strong explanatory power ($R = 0.734$), with an R^2 value of 0.539 and an adjusted R^2 of 0.534. This implies that approximately 53.9% of the variance in organizational performance is explained by the combined effect of psychological and physical well-being. The overall model is statistically significant ($F(2, 263) = 153.2$, $p < 0.001$), indicating a good model fit (Hair et al., 2019).

In terms of individual predictors, psychological well-being has a significant positive effect on organizational performance ($\beta = 0.456$, $t = 7.24$, $p < 0.001$). Similarly, physical well-being also exerts a positive and significant effect ($\beta = 0.324$, $t = 5.08$, $p < 0.001$). These findings indicate that both dimensions of well-being are critical drivers of organizational performance, with psychological well-being having a relatively stronger influence. This supports contemporary research highlighting the strategic importance of employee well-being in achieving organizational effectiveness and sustainable performance (Aravind, 2024; Alhaider & Alqahtani, 2025; Diep & Horváthová, 2026). The results provide robust empirical evidence that employee well-being significantly contributes to improved organizational performance, reinforcing the argument that organizations should prioritize well-being initiatives as part of their strategic management practices (Kaplan & Norton, 2007; Arnaut, 2026).

Table 6: Multiple Regression Analysis.

| Predictor | B | SE B | β | t | p |
|--------------------------|-------|-------|---------|------|-------|
| Constant | 0.842 | 0.312 | – | 2.70 | 0.007 |
| Psychological Well-Being | 0.492 | 0.068 | 0.456 | 7.24 | 0.000 |
| Physical Well-Being | 0.361 | 0.071 | 0.324 | 5.08 | 0.000 |

DISCUSSION

Effect of Psychological Well-Being on Organizational Performance

The findings of this study confirm that psychological well-being significantly and positively influences organizational performance ($\beta = 0.456$, $p < 0.001$). Employees who experience higher levels of mental and emotional well-being demonstrate greater productivity, engagement, and organizational commitment. This result is consistent with prior research emphasizing the role of psychological well-being in enhancing focus, motivation, and job satisfaction, which ultimately drive organizational outcomes (De Neve, 2024; Hejase, 2024; Afolabi et al., 2023).

Kristiyana et al. (2025) highlighted the importance of psychological well-being among teachers, while Torrelles-Nadal and Chang (2025) demonstrated similar effects among university students. These findings suggest that the benefits of psychological well-being extend across diverse contexts, including education and organizational settings. In manufacturing environments, where repetitive tasks and stress are prevalent, employees with strong psychological well-being are better equipped to sustain efficiency and quality (Sitanggang et al., 2026).

Leadership and organizational culture play a crucial role in shaping well-being. Mohamad et al. (2026) emphasized that leadership communication fosters psychological well-being, while Yezer et al. (2026) showed that corporate values and leadership behavior influence performance through well-being. Tymtsnyk et al. (2026) further argued that psychological safety within teams is essential for organizational effectiveness. These findings highlight that psychological well-being is not only an individual resource but also shaped by organizational structures and leadership practices.

The mediating role of psychological well-being is evident in studies on emotional intelligence and psychological capital. Manzoor et al. (2026) found that emotional intelligence mediates the relationship between psychological capital and performance, while Momin and Rolla (2026) confirmed through meta-analysis that well-being is integral to decent work and parity. Aisyah and Trinanda (2026) also demonstrated that psychological well-being mediates the relationship between work-life balance and performance. Sectoral and contextual variations further enrich this discourse. Nagle et al. (2026) identified differences in psychosocial well-being across industries, while Herrera Damas and Valero-Pastor (2026) explored emotional well-being among journalists. In higher

education, Berdikulova (2026) and Jomas et al. (2026) emphasized the role of resilience and stress management in sustaining psychological well-being. These findings suggest that while the positive relationship between well-being and performance is consistent, its manifestations vary across contexts.

Interventions that enhance psychological well-being have demonstrated effectiveness. Siebach et al. (2026) reported that participatory voice interventions improved well-being among warehouse workers, while Deviyeni and Iqbal (2026) emphasized organizational flexibility in supporting working mothers. Metwally et al. (2026) highlighted servant leadership and work-family balance as drivers of psychological meaningfulness. Sujitha and Jayanthi (2026) examined the role of organizational culture, AI, and IoT in shaping well-being and work-life quality.

Finally, integrating psychological well-being into performance management systems is essential. Liana et al. (2026) demonstrated that well-being contributes to performance through job satisfaction, while Pratiwi et al. (2026) emphasized the role of person–organization fit in subjective well-being. Jaya et al. (2026) extended this perspective by showing that psychological resilience mitigates the effects of work pressure and technological adoption on performance. Collectively, these findings reinforce the strategic importance of psychological well-being in sustaining organizational resilience and competitiveness.

Effect of Physical Well-Being on Organizational Performance

The present study provides robust empirical evidence that physical well-being exerts a positive and statistically significant influence on organizational performance ($\beta = 0.324$, $p < 0.001$). This finding reinforces the growing consensus within contemporary organizational research that employee well-being particularly its physical dimension constitutes a critical determinant of firm-level outcomes. In manufacturing contexts, where operational efficiency is closely tied to workers' physical capacity and environmental safety, the importance of physical well-being becomes even more pronounced.

The observed relationship can be interpreted through the lens of human capital theory, which posits that employees' physical health enhances their productive capacity, reduces operational disruptions, and sustains consistent performance levels. Employees who experience fewer health-related constraints are better positioned to meet production targets, adhere to quality standards, and maintain optimal levels of engagement. This aligns with the findings of Kumar et al. (2026), who emphasize that employee well-being significantly contributes to organizational performance, particularly when mediated by engagement and motivation. Similarly,

Diep and Horváthová (2026) highlight that well-being-oriented human resource practices are instrumental in fostering improved employee outcomes and organizational effectiveness. From a practical standpoint, the reduction in absenteeism and presenteeism associated with improved physical well-being directly translates into cost savings and enhanced productivity. Kadambala et al. (2026) argue that workplace health and wellness initiatives mitigate the adverse effects of fatigue, occupational stress, and workplace injuries, thereby promoting sustained employee performance. In manufacturing firms, where physical exertion and exposure to occupational hazards are common, investments in safety protocols and ergonomic work environments are particularly critical. The present findings therefore extend prior bibliometric and empirical analyses by demonstrating that physical well-being is not merely a supportive factor but a strategic asset for organizational competitiveness.

Furthermore, the role of organizational support mechanisms in enhancing physical well-being cannot be overlooked. Alhaider and Alqahtani (2025) underscore the moderating effect of organizational support in strengthening the relationship between well-being and performance, suggesting that policies such as flexible work arrangements, health benefits, and safety training amplify the positive outcomes of employee well-being. This perspective is corroborated by Roque et al. (2026), who identify leadership and institutional practices as key drivers of worker well-being across organizational settings. Effective leadership fosters a culture of safety and health consciousness, thereby reinforcing employees' physical resilience and capacity for sustained performance.

The findings also resonate with emerging discussions on sustainable organizational development. Arnaut (2026) conceptualizes organizational well-being as a central pillar of long-term performance and sustainability, arguing that firms that prioritize employee health are better equipped to navigate competitive and environmental challenges. In a similar vein, Pagani (2026) links well-being to broader sustainability outcomes, suggesting that healthy and satisfied employees are more likely to contribute to organizational goals and environmental stewardship. Within manufacturing firms, this implies that physical well-being initiatives not only enhance immediate productivity but also support long-term strategic objectives, including innovation and sustainability.

In addition, the integration of well-being into corporate social responsibility (CSR) frameworks further strengthens its impact on organizational performance. Pradani (2026) demonstrates that employee well-being enhances work engagement within CSR-driven environments, thereby improving organizational outcomes. This suggests that physical well-being should be embedded within broader organizational strategies rather than treated as an isolated intervention. Ashfan et al. (2026), through their comprehensive bibliometric review, also identify physical

health as a foundational component of employee well-being, highlighting its consistent association with performance-related variables across diverse contexts. Moreover, the findings of de Paulino Gomes (2026) provide additional support by illustrating the direct link between employee well-being and job performance, reinforcing the argument that physical health is integral to both individual and organizational success. Although much of the literature has historically emphasized psychological well-being, the present study contributes to a more balanced understanding by demonstrating that physical well-being independently and significantly predicts organizational performance. This distinction is particularly relevant in labor-intensive industries, where physical demands are inherently high.

Collectively, the results underscore the multidimensional nature of employee well-being and its critical role in driving organizational performance. While psychological well-being enhances cognitive functioning, creativity, and emotional resilience, physical well-being ensures the functional capacity required for task execution and operational continuity. The interplay between these dimensions suggests that organizations should adopt a holistic approach to well-being management, integrating health promotion, safety measures, and supportive policies into their strategic frameworks. The study advances the empirical and theoretical discourse on employee well-being by establishing physical well-being as a significant predictor of organizational performance in manufacturing firms. The findings highlight the necessity for organizations to invest in comprehensive well-being programs, including occupational health and safety initiatives, wellness interventions, and supportive human resource practices. Such investments not only improve employee health outcomes but also enhance productivity, reduce operational inefficiencies, and contribute to long-term organizational sustainability.

Conclusion

This study demonstrates that employee well-being is a significant driver of organizational performance in manufacturing firms in Delta State. Both psychological and physical well-being were found to exert positive and statistically significant effects on performance outcomes. Employees with strong mental and emotional health exhibited higher levels of engagement, focus, and commitment, which translated into improved productivity and quality of work. Likewise, employees with good physical health and safe working conditions were better able to meet production demands, reduce absenteeism, and sustain consistent output. The regression analysis confirmed that psychological and physical well-being together explained more than half of the variance in organizational performance, underscoring their combined importance as predictors of organizational success. These

findings highlight that employee well-being is not merely a supportive factor but a strategic resource that directly contributes to efficiency, competitiveness, and long-term sustainability. For practice, the implication is clear: manufacturing firms should prioritize investments in wellness programs, occupational health initiatives, and supportive workplace policies. By embedding well-being into human resource management strategies, organizations can foster resilience, reduce turnover, and enhance overall performance. In conclusion, promoting both psychological and physical well-being should be considered integral to organizational strategy. Firms that recognize and act upon this relationship are more likely to achieve sustained growth, improved productivity, and a competitive advantage in the manufacturing sector. Future research may extend this inquiry by exploring sectoral differences, technological influences, and mediating organizational factors to deepen understanding of how employee well-being shapes performance across diverse contexts.

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