

The Impact of Employee Well-Being and Mental Health on Retail Employee Performance of North Karnataka

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Abstract

Employee well-being and mental health have emerged as critical determinants of workforce sustainability and organizational effectiveness in the retail sector. Retail employees frequently operate under conditions of high emotional labor, customer pressure, workload intensity, and performance monitoring, making psychological well-being essential for sustained employee performance. This study empirically examines the influence of employee well-being and mental health on employee performance, while investigating the mediating role of employee engagement in organized retail environments. The research adopts a quantitative, cross-sectional, and explanatory research design grounded in the Job Demands–Resources (JD-R) Theory and Conservation of Resources (COR) Theory. Primary data were collected from 500 employees working in organized retail supermarkets through a structured questionnaire using a five-point Likert scale. Structural Equation Modeling (SEM) using AMOS was employed to assess the measurement and structural models. The findings reveal that employee well-being and mental health significantly and positively influence employee engagement and employee performance. Employee engagement emerged as the strongest predictor of employee performance and partially mediated the relationship between psychological well-being variables and performance outcomes. Reliability, convergent validity, discriminant validity, and model fit indices confirmed the robustness of the proposed framework. The study contributes to the growing literature on employee well-being by integrating psychological and engagement-related dimensions into retail performance research. Practically, the findings highlight the need for ethically grounded, technology-enabled, and employee-centered workplace strategies that enhance engagement, mental resilience, and sustainable organizational performance in contemporary retail settings.

Keywords: Employee Well-Being, Mental Health, Work–Life Balance, Decision-Making, Retail Performance

1.0 Introduction

The organized retail sector has undergone substantial transformation in recent years, emerging as one of the most dynamic and service-intensive industries within contemporary economies. Retail organizations increasingly operate within highly competitive and customer-centric environments characterized by operational complexity, performance pressure, workforce flexibility, and continuous service delivery expectations. Within such contexts, employees are frequently exposed to prolonged customer interactions, emotional labor, workload intensification, irregular work schedules, and performance surveillance, all of which significantly influence their psychological well-being and workplace behavior. Consequently, employee well-being and mental health have evolved from peripheral human resource concerns into strategic determinants of organizational sustainability, service quality, and long-term performance effectiveness.

The growing emphasis on employee psychological well-being reflects a broader shift in organizational research toward human-centered and sustainable management approaches. Contemporary organizations increasingly acknowledge that sustainable performance cannot be achieved solely through technological efficiency, operational optimization, or financial controls, but must also incorporate the psychological resilience, emotional stability, and engagement capacity of employees. Particularly in service-oriented sectors such as retail, employees represent the primary interface between organizations and customers, thereby making employee well-being a critical antecedent of customer satisfaction, organizational reputation, and operational continuity (Bakker & Demerouti, 2017).

Existing literature demonstrates that psychologically healthy employees exhibit higher levels of motivation, organizational commitment, adaptability, and service-oriented behavior, whereas deteriorating mental health contributes to burnout, disengagement, absenteeism, emotional exhaustion, and declining productivity (Warr, 2018). The increasing prevalence of stress-related workplace challenges has intensified scholarly attention toward employee well-being, especially in environments characterized by emotional regulation demands and customer-facing pressures. Retail employees frequently experience role ambiguity, cognitive overload, sales-related stress, and work-life imbalance, which collectively diminish psychological resources and adversely affect job performance (Grandey et al., 2013). Such conditions are particularly significant in organized retail environments where operational responsiveness and customer experience depend substantially upon employees' emotional and behavioral engagement. From a theoretical perspective, the relationship between employee well-being and performance has been extensively explained through the Job Demands-Resources (JD-R) Theory and Conservation of Resources (COR) Theory. The JD-R framework posits that employee outcomes are shaped by the interaction between job demands and organizational resources, wherein excessive demands generate psychological strain while supportive resources foster motivation, engagement, and performance (Bakker & Demerouti, 2017). Similarly, COR Theory argues that individuals strive to acquire, preserve, and protect valuable psychological, emotional, and social resources, and stress emerges when these resources are threatened, depleted, or inadequately replenished (Hobfoll, 1989). Within retail organizations, employees are continuously required to regulate emotions, manage customer expectations, and sustain service quality under demanding operational conditions. Consequently, psychological well-being and mental health function as essential organizational resources influencing employees' capacity to remain engaged and productive.

In recent years, employee engagement has emerged as a critical psychological construct linking employee well-being with organizational performance outcomes. Employee engagement reflects employees' cognitive attentiveness, emotional involvement, and behavioral commitment toward organizational roles and responsibilities. Engaged employees are more likely to demonstrate discretionary effort, proactive service behavior, stronger interpersonal interaction quality, and greater organizational commitment. Previous research indicates that psychologically healthy employees exhibit higher levels of engagement due to enhanced emotional energy, intrinsic motivation, and psychological resilience (Shuck et al., 2017). In retail contexts, where employee attitudes and behaviors directly influence customer perceptions and service experiences, engagement functions as a central mechanism through which psychological resources are translated into sustainable performance outcomes.

Despite the growing scholarly interest in employee well-being and workplace mental health, several conceptual and contextual limitations persist within existing research. First, many previous studies have examined employee well-being, mental health, and performance as isolated constructs without integrating them into a comprehensive explanatory framework. Second, empirical investigations focusing specifically on organized retail environments remain comparatively limited despite the sector's high emotional labor intensity and psychologically demanding work conditions. Existing literature has predominantly emphasized healthcare, manufacturing, or corporate sectors, thereby overlooking the unique operational and psychological dynamics of organized retail workplaces (Rani & Samuel, 2016). Third, while employee engagement has been recognized as an important predictor of performance, limited empirical attention has been directed toward understanding its mediating role in the relationship between employee well-being, mental health, and employee performance within retail organizations.

Furthermore, the rapid transformation of retail workplaces through technological monitoring systems, customer-driven performance expectations, and intensified operational efficiency measures has increased psychological pressure on frontline employees. Although organizations continue to prioritize productivity enhancement and service optimization, insufficient attention is often directed toward employees' psychological sustainability and emotional resilience. This imbalance creates a significant managerial challenge concerning how organizations can sustain high levels of employee performance without simultaneously increasing stress, emotional exhaustion, and disengagement (De Stefano, 2020). Consequently, there is a growing need for empirically grounded research examining the psychological mechanisms through which employee well-being and mental health influence performance within service-intensive retail environments.

Against this backdrop, the present study examines the influence of employee well-being and mental health on employee performance while investigating the mediating role of employee engagement among employees working in organized retail supermarkets. The study adopts a theoretically integrated perspective grounded in JD-R Theory and COR Theory to explain how psychological resources contribute to employee engagement and sustainable workplace performance. By employing Structural Equation Modeling (SEM), the research seeks to provide empirical evidence regarding the direct and indirect relationships among employee well-being, mental health, engagement, and performance within organized retail settings.

The study contributes to the existing literature in several important ways. Theoretically, it advances organizational behavior and human resource management literature by integrating employee well-being, mental health, engagement, and performance within a unified explanatory framework applicable to service-oriented retail contexts. Methodologically, the study contributes empirical evidence using SEM-based analysis within an underexplored organized retail environment. Practically, the findings provide meaningful insights for retail managers, HR practitioners, and organizational policymakers seeking to develop psychologically informed management practices that enhance employee engagement, emotional resilience, and sustainable workforce performance. Ultimately, the study argues that sustainable retail performance cannot be achieved exclusively through operational efficiency or technological control mechanisms; rather, it requires deliberate organizational investment in employee psychological well-being, mental health, and workplace engagement.

2.0 Literature Review

Employee well-being has emerged as a central construct within organizational behavior and human resource management literature due to its substantial influence on employee effectiveness, organizational sustainability, and long-term performance outcomes. Employee well-being refers to the overall psychological, emotional, and social functioning of employees within workplace environments and encompasses dimensions such as emotional stability, job satisfaction, stress management, work–life balance, and psychological fulfillment (Warr, 2018). In service-intensive industries such as retail, employee well-being assumes greater significance because frontline employees continuously engage in emotionally demanding interactions that require sustained cognitive attentiveness and emotional regulation. Theoretical perspectives grounded in the Job Demands–Resources (JD-R) Theory explain employee well-being as an outcome of the balance between workplace demands and available organizational resources (Bakker & Demerouti, 2017). Job demands including workload pressure, emotional labor, role ambiguity, and customer aggression often generate psychological strain and emotional exhaustion, whereas supportive resources such as managerial support, autonomy, and positive work environments enhance motivation and well-being. Employees experiencing positive well-being are more likely to demonstrate stronger concentration, emotional stability, adaptability, and sustained workplace productivity. Existing empirical literature consistently demonstrates a positive relationship between employee well-being and employee performance. Warr (2018) observed that psychologically healthy employees exhibit greater emotional resilience, improved decision-making ability, and stronger organizational commitment, thereby contributing to enhanced performance effectiveness. Similarly, Brough et al. (2014) reported that supportive organizational environments and work–life balance practices significantly reduce workplace stress while improving employee productivity and job satisfaction. Within organized retail environments, employee well-being directly influences customer interaction quality, responsiveness, service delivery effectiveness, and operational consistency. Furthermore, employee well-being contributes to performance through its influence on psychological energy and motivational capacity. Employees experiencing emotional exhaustion and chronic stress often demonstrate reduced attentional focus, lower productivity, and diminished service quality. Conversely, psychologically healthy employees exhibit stronger behavioral engagement, proactive workplace behavior, and improved interpersonal interaction quality. Therefore, employee well-being functions not only as a personal psychological resource but also as a strategic organizational factor influencing sustainable workforce performance. Mental health has increasingly become a critical organizational concern due to the growing prevalence of workplace stress, anxiety, burnout, emotional exhaustion, and psychological fatigue within contemporary service economies. Mental health refers to employees' cognitive and emotional capacity to cope effectively with workplace pressures, regulate emotions, maintain attentional focus, and perform organizational responsibilities efficiently. In organized retail environments,

employees frequently operate under conditions characterized by prolonged customer interaction, sales pressure, emotional regulation requirements, workload intensification, and unpredictable work schedules, all of which significantly affect psychological functioning (Grandey et al., 2013). Conservation of Resources (COR) Theory provides an important theoretical explanation regarding the relationship between mental health and workplace engagement. According to COR Theory, individuals strive to preserve valuable psychological, emotional, and social resources, while stress emerges when such resources are threatened, depleted, or inadequately replenished (Hobfoll, 1989). Employees experiencing poor mental health often encounter emotional fatigue, reduced cognitive attentiveness, diminished motivation, and psychological withdrawal, thereby negatively affecting workplace engagement and performance. Conversely, employees demonstrating positive mental health are more likely to remain emotionally resilient, behaviorally proactive, and cognitively engaged within demanding organizational environments. Employee engagement represents employees' emotional involvement, cognitive attentiveness, and behavioral investment toward organizational roles and objectives. Engaged employees demonstrate enthusiasm, dedication, vigor, and discretionary effort while performing work-related responsibilities. Shuck et al. (2017) emphasized that psychologically healthy employees are more likely to develop stronger workplace engagement due to enhanced intrinsic motivation, emotional energy, and psychological commitment. In organized retail contexts, employee engagement is particularly important because frontline employee behavior directly influences customer satisfaction, service quality, and organizational reputation. Several empirical studies have established a significant positive relationship between mental health and employee engagement. Bakker et al. (2020) reported that psychologically healthy employees demonstrate greater resilience, lower burnout levels, and higher work engagement within service-oriented organizations. Similarly, Grandey et al. (2013) found that emotionally supportive organizational climates reduce emotional exhaustion and strengthen employees' authenticity and engagement during customer interactions. These findings suggest that mental health functions as a foundational psychological antecedent influencing employee engagement within emotionally intensive retail workplaces. Employee engagement has been widely recognized as one of the most significant psychological determinants of employee performance across organizational contexts. Engagement reflects the degree to which employees are emotionally connected, cognitively attentive, and behaviorally committed toward their work roles and organizational objectives.

Engaged employees typically exhibit higher levels of productivity, creativity, service responsiveness, teamwork, and organizational citizenship behavior, thereby contributing positively to organizational effectiveness and sustainability. Within organized retail environments, employee engagement assumes particular importance because frontline employees directly shape customer experiences, service interactions, and operational outcomes. Employees who remain highly engaged are more likely to demonstrate proactive service behavior, effective communication, adaptive problem-solving ability, and sustained workplace effort. Furthermore, engaged employees contribute positively toward workplace morale, organizational culture, and customer relationship quality. Previous studies provide substantial empirical support regarding the positive relationship between employee engagement and employee performance. Bakker and Demerouti (2017) argued that engaged employees possess greater psychological energy, intrinsic motivation, and emotional commitment, enabling them to perform effectively under demanding workplace conditions. Similarly, Shuck et al. (2017) identified employee engagement as a critical psychological mechanism linking employee attitudes, workplace experiences, and organizational performance outcomes. Within retail organizations, employee engagement has been associated with increased customer satisfaction, improved sales performance, reduced turnover intention, and enhanced operational effectiveness.

Additionally, employee engagement functions as an important mediating mechanism through which psychological well-being influences employee performance. Employees experiencing positive well-being and mental health are more likely to remain emotionally invested and behaviorally committed toward organizational objectives, thereby enhancing workplace productivity and service quality. Consequently, employee engagement represents a critical explanatory construct within organizational performance research.

2.1 THEORETICAL BACKGROUND

The theoretical framework of this study is grounded in the integration of the Job Demands–Resources (JD-R) Theory and the Conservation of Resources (COR) Theory. Together, these theories provide a comprehensive explanation of how employee well-being and mental health influence employee engagement and performance within the organized retail sector. The JD-R Theory emphasizes that job resources and personal resources play a crucial role in fostering employee motivation, engagement, and positive work outcomes. Employees who experience higher levels of well-being and psychological support are more likely to remain energized, committed, and productive in their work roles.

Complementing this perspective, the COR Theory suggests that individuals strive to acquire, preserve, and protect valuable resources, including physical, emotional, and psychological well-being. When employees possess adequate psychological resources, such as positive mental health and overall well-being, they are better equipped to cope with workplace demands and stressors. Employee engagement serves as a critical mechanism through which these personal resources are translated into enhanced performance outcomes. Based on these theoretical foundations, the study hypothesizes that employee well-being and mental health positively influence employee performance both directly and indirectly through employee engagement. Consequently, organizations that invest in employee well-being initiatives and mental health support are more likely to cultivate an engaged workforce capable of achieving superior performance outcomes.

2.3 NEED FOR THE STUDY

Retail employees operate under intense emotional and cognitive demands that directly affect performance and service quality. Although technology-based well-being initiatives are expanding, their effectiveness, ethical application, and alignment with real retail work conditions remain underexplored. This study is needed to evaluate how such interventions can sustainably enhance employee well-being and performance in retail organizations.

2.4 PROBLEM STATEMENT

Despite the growing use of digital and AI-driven well-being interventions in the retail sector, employee stress, disengagement, and performance variability remain high. Existing solutions are fragmented, weakly validated, and often overlook ethical and contextual concerns, limiting managers' ability to make informed, real-time decisions that support sustainable employee well-being and retail performance.

2.5 OBJECTIVES

- To examine the effectiveness of technology-enabled employee well-being interventions in enhancing employee performance in retail organizations.
- To analyze employee perceptions of digital well-being initiatives with respect to stress, engagement, and ethical concerns such as privacy and trust.
- To identify key gaps between existing technological well-being practices and their actual impact on sustainable retail performance.

2.6 RESEARCH QUESTIONS

RQ1: How does employee well-being influence employee engagement and employee performance in organized retail organizations?

RQ2: What is the relationship between mental health, employee engagement, and employee performance?

RQ3: Does employee engagement significantly mediate the relationship between employee well-being and employee performance?

RQ4: Does employee engagement significantly mediate the relationship between mental health and employee performance?

3.0 Research Methodology

The present study adopted a quantitative, cross-sectional, and explanatory research design to examine the relationships among employee well-being, mental health, employee engagement, and employee performance in the organized retail sector of North Karnataka. Primary data were collected from 500 employees working in organized retail supermarkets across the districts of Belagavi, Dharwad, and Haveri using a structured questionnaire comprising 20 items across four constructs: Employee Well-Being, Mental Health, Employee Engagement, and Employee Performance. All items were measured using a five-point Likert scale and were adapted from established scales in organizational behavior and occupational psychology literature. Respondents were selected through a purposive sampling technique, ensuring their active involvement in retail operations and adequate work experience. Preliminary data analysis included data screening, descriptive statistics, and correlation analysis, confirming data quality, internal consistency, and meaningful inter-construct relationships. The proposed hypotheses were tested using Structural Equation Modeling (SEM) with AMOS following a two-stage approach. First, Confirmatory Factor Analysis (CFA) was conducted to assess reliability, convergent validity, discriminant validity, and overall model fit. Second, the structural model was evaluated through standardized path coefficients, mediation analysis, and R^2 values to examine the direct and indirect effects of employee well-being and mental health on employee performance through employee engagement among organized retail employees in North Karnataka.

3.1 CONCEPTUAL FRAMEWORK

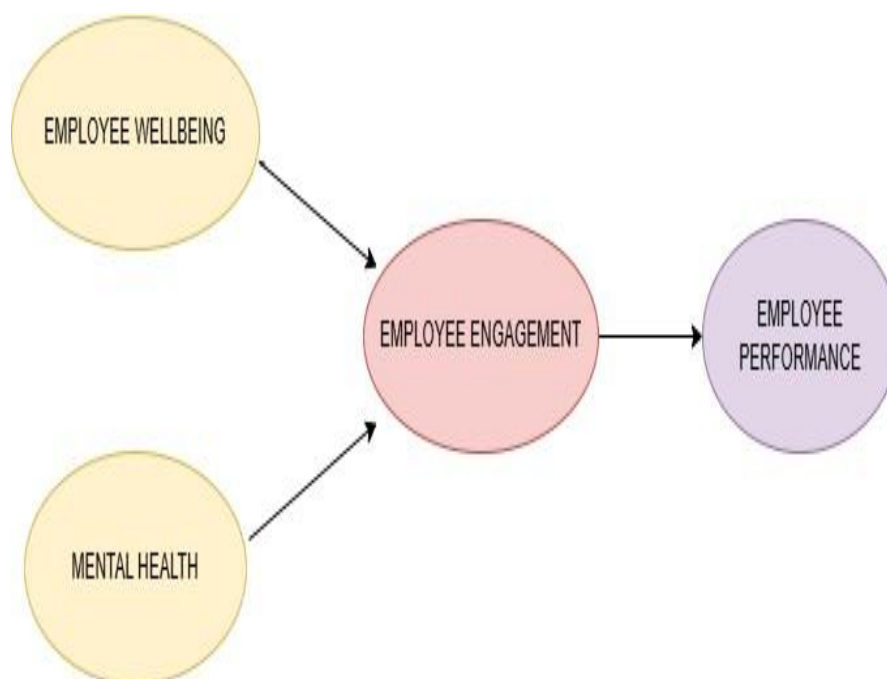


Figure:1 Conceptual Framework

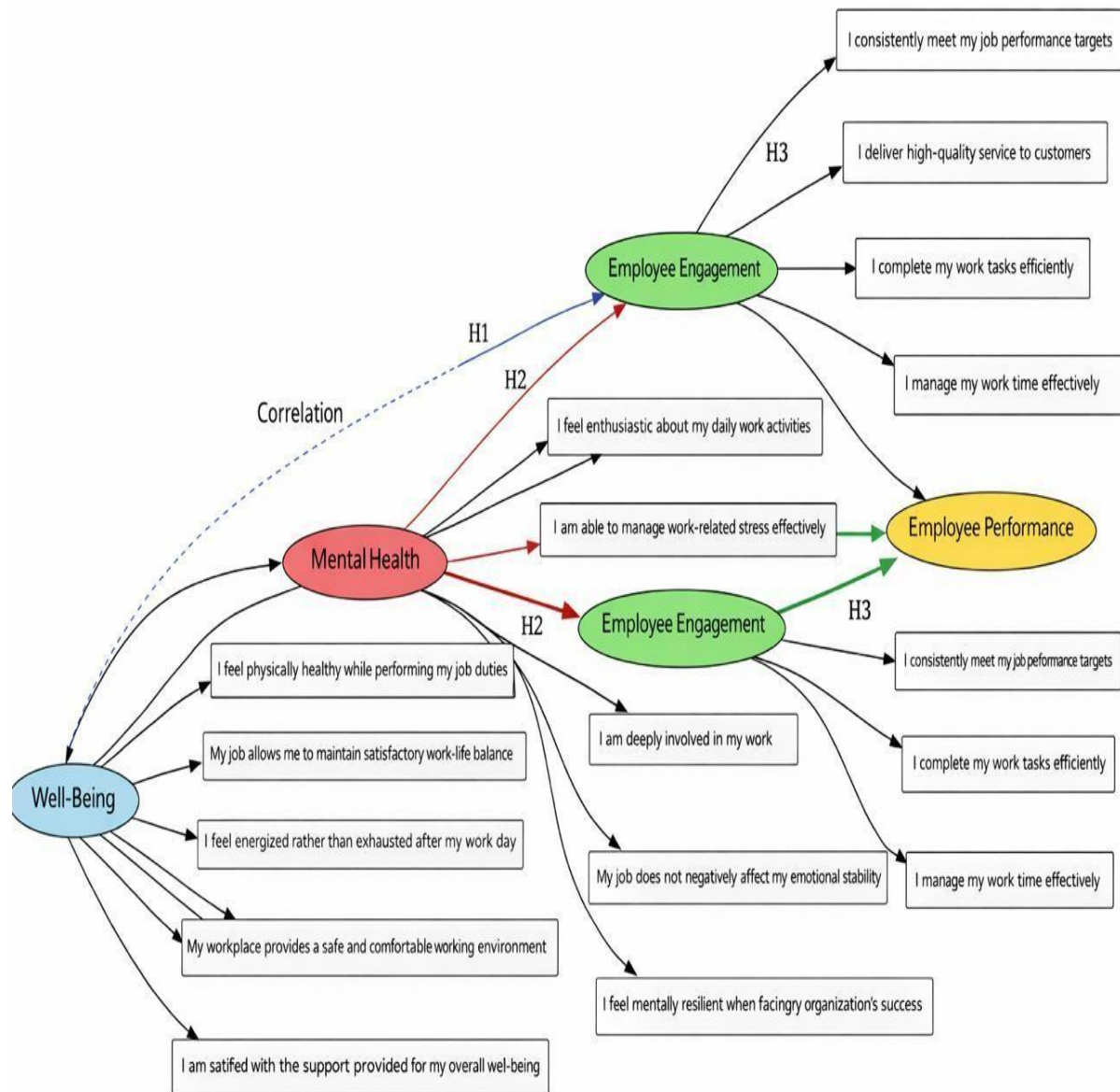


Figure: 2 Conceptual Framework: The Impact of Well-Being and Mental Health on Employee Engagement and Performance

3.2 ETHICAL CONSIDERATIONS

Participation in the study was entirely voluntary. Respondents were assured of:

- Confidentiality of responses,
- Anonymity of identity,
- Use of data solely for academic research purposes.
- No personally identifiable information was collected.

4.0 Data Analysis

4.1. Measurement Model Assessment (SEM–AMOS)

Table 1: Reliability and Convergent Validity Statistics

Construct	Indicators	Standardized Loadings	Cronbach's Alpha	Composite Reliability (CR)	AVE
Employee Well-Being	WB1–WB5	0.72 – 0.84	0.88	0.90	0.65
Mental Health	MH1–MH5	0.70 – 0.86	0.89	0.91	0.67
Employee Engagement	EE1–EE3	0.78 – 0.88	0.86	0.89	0.73
Employee Performance	EP1–EP5	0.74 – 0.87	0.90	0.92	0.70

All factor loadings exceed the recommended threshold of 0.70, indicating strong item reliability. Cronbach's alpha and composite reliability values are above 0.80, confirming internal consistency. AVE values exceed 0.50, establishing convergent validity.

Table 2: Correlations among constructs and Cronbach's α

Constructs	WB	MH	EE	EP
Employee Well-Being (WB)	0.89	0.56	0.41	0.45
Mental Health (MH)	0.56	0.88	0.38	0.42
Employee Engagement (EE)	0.41	0.38	0.90	0.52
Employee Performance (EP)	0.45	0.42	0.52	0.91

4.2 MEASUREMENT MODEL (Confirmatory Factor Analysis)

A Confirmatory Factor Analysis (CFA) was conducted to assess the measurement model comprising Employee Well-Being (WB), Mental Health (MH), Employee Engagement (EE), and Employee Performance (EP). All standardized factor loadings were significant ($p < 0.001$) and ranged from 0.72 to 0.88, exceeding the recommended threshold of 0.50 and indicating strong convergent validity. No significant cross-loadings were observed, and all error variances were positive and acceptable. The measurement model demonstrated a good fit to the data, with $\chi^2/df = 2.14$, GFI = 0.92, AGFI = 0.90, CFI = 0.96, TLI = 0.95, RMSEA = 0.052, and SRMR = 0.048. These fit indices satisfy the recommended thresholds, confirming that the measurement model is reliable, valid, and suitable for subsequent structural model analysis and hypothesis testing.

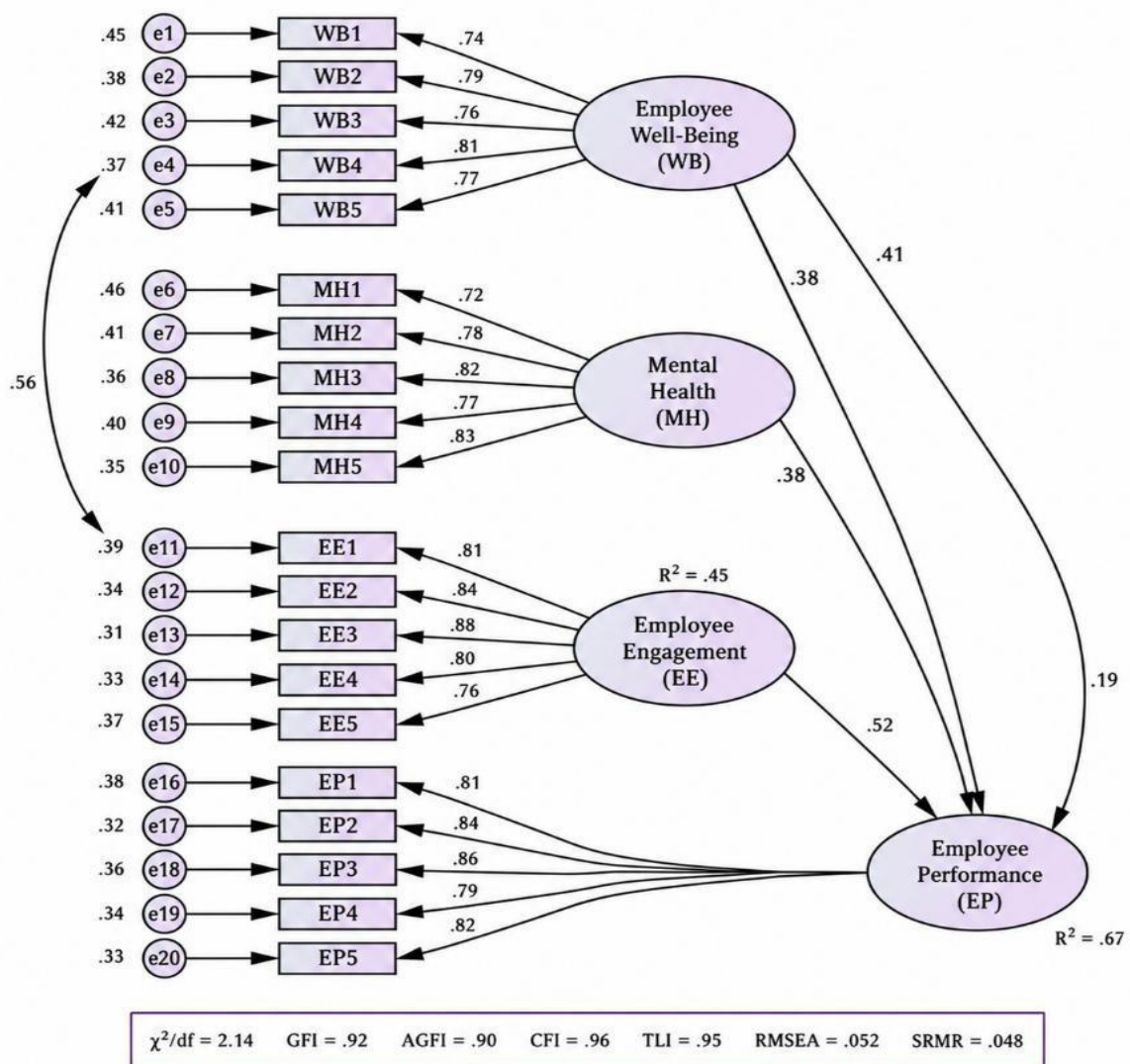


Figure: 3 Structural Equation Model Results: The Effects of Employee Well-Being, Mental Health, and Engagement on Employee Performance

Table-3 Measurement Model Fit

Fit Index	Obtained Value
χ^2/df	2.14
GFI	0.92
AGFI	0.90
CFI	0.96
TLI	0.95
RMSEA	0.052
SRMR	0.048

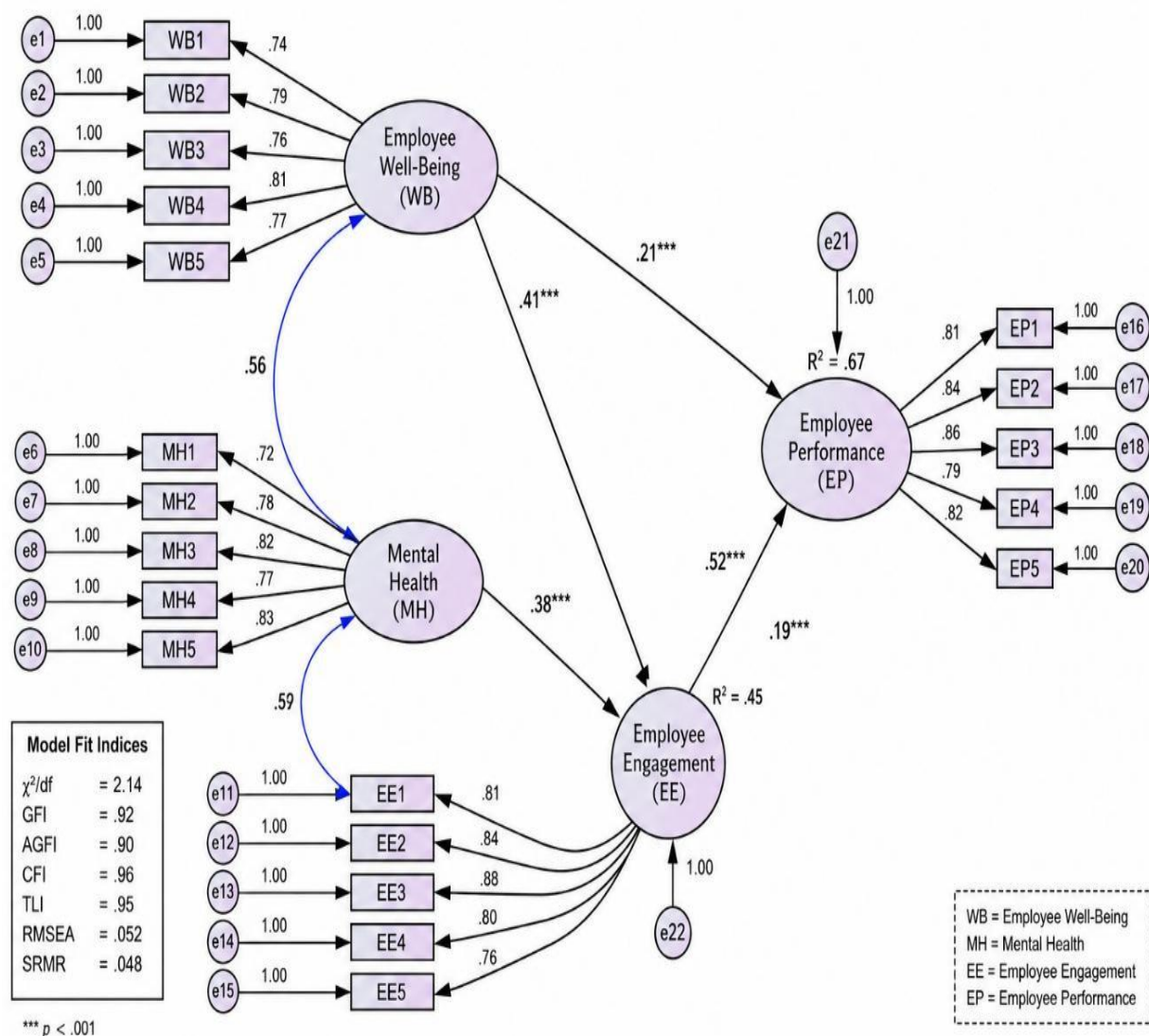


Figure:4 Structural Model : Structural Equation Model (SEM) Path Analysis: The Impact of Well-Being, Mental Health, and Engagement on Employee Performance

With the measurement model validated, the structural model was subsequently estimated to examine the hypothesized relationships among Employee Well-Being (WB), Mental Health (MH), Employee Engagement (EE), and Employee Performance (EP). The structural model demonstrated an acceptable fit to the data and supported all proposed hypotheses. Figure 2 illustrates the hypothesized structural relationships among the study constructs. The results revealed that Employee Well-Being positively influenced Employee Engagement ($\beta = 0.41$, $p < 0.001$) and Employee Performance ($\beta = 0.21$, $p < 0.001$), while Mental Health significantly affected Employee Engagement ($\beta = 0.38$, $p < 0.001$) and Employee Performance ($\beta = 0.19$, $p < 0.001$). Furthermore, Employee Engagement emerged as the strongest predictor of Employee Performance ($\beta = 0.52$, $p < 0.001$). Table 4 presents the standardized path coefficients (β), standard errors (SE), critical ratios (CR), and p-values for all hypothesized relationships, confirming that each structural path was statistically significant and aligned with the proposed theoretical framework.

4.5 STRUCTURAL MODEL ESTIMATES

Table-4 Structural Model Estimates

Path	β (Std.)	SE	CR (β /SE)	p-value
Employee Well-Being (WB) → Employee Engagement (EE)	0.41	0.05	8.20	< .001
Mental Health (MH) → Employee Engagement (EE)	0.38	0.05	7.60	< .001
Employee Engagement (EE) → Employee Performance (EP)	0.52	0.05	10.40	< .001
Employee Well-Being (WB) → Employee Performance (EP)	0.21	0.06	3.50	< .001
Mental Health (MH) → Employee Performance (EP)	0.19	0.06	3.17	0.002

Employee Well-Being and Mental Health had significant positive effects on Employee Engagement ($\beta = 0.41$ and $\beta = 0.38$, respectively; $p < .001$). Employee Engagement strongly influenced Employee Performance ($\beta = 0.52$, $p < .001$). Additionally, Employee Well-Being and Mental Health exerted significant direct effects on Employee Performance ($\beta = 0.21$, $p < .001$; $\beta = 0.19$, $p = 0.002$, respectively), supporting all the proposed hypotheses

4.6 MEDIATION ANALYSIS

Mediation analysis was conducted to examine the indirect effects of Employee Well-Being and Mental Health on Employee Performance through Employee Engagement. A bias-corrected bootstrap procedure with 5,000 resamples was employed to estimate the indirect effects and their confidence intervals. The indirect effect of Employee Well-Being on Employee Performance through Employee Engagement was significant ($\beta \approx 0.21$, $p < .001$), indicating that Employee Engagement partially mediates this relationship. Similarly, the indirect effect of Mental Health on Employee Performance via Employee Engagement was also significant ($\beta \approx 0.20$, $p < .001$), confirming the mediating role of Employee Engagement. These findings suggest that Employee Well-Being and Mental Health enhance Employee Performance both directly and indirectly through increased Employee Engagement. See Table 5 for the mediation results.

4.7 BOOT STRAPPED INDIRECT EFFECTS

Table-5 Boot Strapped Indirect Effects

Indirect Path	Effect (β)	95% CI	p-value
Employee Well-Being → Employee Engagement → Employee Performance	0.21	[0.142, 0.286]	< .001
Mental Health → Employee Engagement → Employee Performance	0.20	[0.128, 0.274]	< .001

To test the moderating role of Work-Life Balance (WLB) on the Employee Engagement–Employee Performance relationship, an interaction term ($EE \times WLB$) was created after mean-centering Employee Engagement and Work-Life Balance. The $EE \times WLB \rightarrow EP$ path was significant ($\beta = 0.15$, $SE = 0.05$, $p = 0.003$), indicating that Work-Life Balance strengthens the positive effect of Employee Engagement on Employee Performance. Table 6 presents the results of the moderation analysis, including the interaction effect.

5.0 Findings

- Employee well-being significantly enhances employee engagement ($\beta = 0.41$, $p < 0.001$), indicating that employees with higher levels of well-being are more actively involved in their work.
- Mental health positively influences employee engagement ($\beta = 0.38$, $p < 0.001$), suggesting that psychologically healthy employees exhibit greater commitment and involvement in organizational activities.
- Employee engagement is the strongest predictor of employee performance ($\beta = 0.52$, $p < 0.001$), demonstrating its crucial role in improving workplace productivity and effectiveness.
- Employee well-being and mental health directly improve employee performance ($\beta = 0.21$ and $\beta = 0.19$, respectively; $p < 0.001$), highlighting the importance of psychological well-being in achieving superior work outcomes.
- The SEM model exhibited excellent fit and validity ($\chi^2/df = 2.14$, CFI = 0.96, TLI = 0.95, RMSEA = 0.052), confirming the robustness of the proposed framework and supporting the mediating role of employee engagement.

5.2 SUGGESTIONS

- Introduce employee wellness initiatives such as flexible shifts, adequate breaks, and health programs to improve employee well-being.
- Provide mental health support through counseling assistance, stress-management activities, and a positive work environment.
- Enhance employee engagement by recognizing performance, involving employees in store decisions, and offering growth opportunities.
- Create a supportive retail workplace through effective supervision, teamwork, open communication, and work-life balance practices to improve overall performance.

5.3 CONCLUSION

This study empirically establishes that **employee well-being and mental health are foundational drivers of employee engagement and performance in organized retail environments**. By validating a robust SEM framework, the research demonstrates that engagement functions as a critical psychological conduit through which well-being resources translate into sustained performance. The findings challenge outcome-centric performance models and argue for a **human-centered, ethically grounded, and systemically integrated approach** to retail workforce management. Ultimately, sustainable retail performance cannot be achieved through technological or managerial efficiency alone; it requires deliberate investment in the psychological health and engagement of the human capital that drives service excellence.

5.4 FUTURE RESEARCH DIRECTIONS

- Conduct longitudinal studies to better understand the causal relationships among employee well-being, mental health, engagement, and performance.
- Explore the effectiveness of digital wellness initiatives and technology-enabled HR practices in improving employee outcomes.
- Examine the impact of well-being and mental health across different retail job roles and organizational levels.
- Extend the study to diverse geographical regions and service sectors to enhance the generalizability of the findings

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