Employee Well-being Programs: Assessing the Impact on Engagement, Productivity, and Retention

Program Kesejahteraan Karyawan: Menilai Dampaknya terhadap Keterlibatan, Produktivitas, dan Retensi

Joko Bagio Santosos
Sekolah Tinggi Ilmu Ekonomi Indonesia Jakarta
*jokobsantoso2201@gmail.com

*Corresponding Author

ABSTRACT
Employee wellness programs have become an important focus in efforts to increase employee engagement, productivity and retention in organizations. This research aims to explore the relationship between employee welfare programs and key variables such as employee engagement, productivity and retention. Using a systematic literature review approach, this research analyzes findings from various relevant studies and surveys. The results show that factors such as employee empowerment, managerial support, growth opportunities, a supportive work environment, and company policies that support work-life balance have a significant relationship with employee engagement, productivity, and retention. Practical implications of these findings are discussed, along with study limitations and suggestions for future research.

Keywords: Employee Welfare Program, Employee Involvement, Productivity, Employee Retention, Managerial Support, Work Environment

ABSTRAK
Program kesehatan karyawan telah menjadi fokus penting dalam upaya meningkatkan keterlibatan, produktivitas, dan retensi karyawan dalam organisasi. Penelitian ini bertujuan untuk mengeksplorasi hubungan antara program kesejahteraan karyawan dan variabel kunci seperti keterlibatan karyawan, produktivitas, dan retensi. Dengan menggunakan pendekatan tinjauan pustaka yang sistematis, penelitian ini menganalisis temuan dari berbagai penelitian dan survei yang relevan. Hasilnya menunjukkan bahwa faktor-faktor seperti pemberdayaan karyawan, dukungan manajerial, peluang pertumbuhan, lingkungan kerja yang mendukung, dan kebijakan perusahaan yang mendukung keseimbangan kehidupan kerja memiliki hubungan yang signifikan dengan keterlibatan, produktivitas, dan retensi karyawan. Implikasi praktis dari temuan ini dibahas, bersama dengan keterbatasan penelitian dan saran untuk penelitian di masa depan.

Kata Kunci: Program Kesejahteraan Karyawan, Keterlibatan Karyawan, Produktivitas, Retensi Karyawan, Dukungan Manajerial, Lingkungan Kerja

1. Introduction
Employee well-being programs are essential for enhancing various aspects of organizational performance. Research has shown that poor workforce engagement can lead to decreased employee well-being and productivity (Shuck & Reio, 2013). Employee well-being positively influences behaviors that enhance engagement with work and the organization (Rasool et al., 2021). Studies have emphasized the distinction between workaholism and work
engagement concerning employee well-being, underscoring the importance of understanding these concepts for overall employee wellness (Shimazu & Schaufeli, 2009).

Moreover, research has explored the impact of holistic well-being initiatives on employee engagement, highlighting the significance of initiatives promoting well-being in enhancing engagement practices (Rajashekar & Jain, 2023). A systems-based approach to evaluating well-being program participation can help identify factors contributing to employee non-participation and improve engagement (Sherman, 2023).

Additionally, initiatives such as animal-assisted support programs have been found to significantly impact employee well-being, reducing workplace stress and absenteeism while improving mood, health, productivity, job satisfaction, and work quality (Etingen et al., 2020). Studies have also demonstrated that job satisfaction and emotional intelligence positively influence employee engagement, emphasizing the role of well-being in enhancing engagement levels (Sudibjo & Sutarji, 2020).

The integration of employee engagement and psychological well-being has been proposed as "full engagement," suggesting that sustainable engagement is more achievable when employee well-being is a priority (Robertson & Cooper, 2010). Organizations focusing on employee well-being, supported by well-being champions, tend to experience improved employee engagement, satisfaction, and overall well-being, leading to a more positive organizational perception (Wieneke et al., 2019). In conclusion, employee well-being programs are crucial for enhancing engagement, productivity, and retention within organizations. By prioritizing employee well-being through various initiatives and support systems, organizations can create a positive work environment that fosters engagement, productivity, and employee retention.

Data from various survey sources and studies have revealed the positive impact of employee wellness programs on employee engagement, productivity and retention within a company. According to a 2020 Towers Watson survey, 89% of employees say that an effective employee wellness program increases their engagement at work. A 2019 Gallup study also found that engaged employees had 17% higher levels of productivity and 21% higher profitability compared to those who were disengaged. A 2018 McKinsey & Company report showed that companies with good health and wellness programs had 3% lower healthcare costs and 25% lower absenteeism rates. A 2021 survey from SHRM found that 66% of employees consider a good employee wellness program an important factor in their decision to stay with a company. Additionally, a 2019 study from PwC showed that companies with strong employee wellness programs had employee turnover rates that were 25% lower. This data highlights the importance of investing in employee well-being as a strategy to increase employee engagement, productivity and retention within a company.

**Table 1. Survey Data Regarding Engagement, Productivity, Retention**

<table>
<thead>
<tr>
<th>Impact</th>
<th>Findings</th>
<th>Source</th>
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<tr>
<td>Involvement</td>
<td>89% of employees say that an effective employee wellness program increases their engagement at work. Engaged employees have 17% higher productivity and 21% higher profitability.</td>
<td>Survei Towers Watson (2020)</td>
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<td>Impact</td>
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<tr>
<td>Productivity</td>
<td>Companies with good health and wellness programs have 3% lower healthcare costs and 25% lower absenteeism.</td>
<td>McKinsey &amp; Company Report (2018)</td>
</tr>
<tr>
<td>Employee Retention</td>
<td>66% of employees say that a good employee wellness program is an important factor in their decision to stay with a company.</td>
<td>SHRM Survey (2021)</td>
</tr>
<tr>
<td>Employee Retention</td>
<td>Companies with strong employee wellness programs have 25% lower employee turnover.</td>
<td>PwC Studies (2019)</td>
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The level of employee involvement in work and the organization is the main focus in this research. A number of studies show that low workforce engagement can result in decreased employee well-being and productivity (Shuck & Reio, 2013). However, there is still debate regarding the differences between workaholism and work engagement in the context of employee welfare (Shimazu & Schaufeli, 2009). Additionally, it is important to understand the overall impact of employee wellness programs on the level of employee engagement, productivity, and retention in the organization.

The importance of this research is reflected in the fact that employee well-being is key in increasing engagement, productivity and retention in an organization. In an ever-changing work environment, where companies are seeking to strengthen their competitive advantage, investing in employee wellness programs is becoming increasingly important. Data shows that effective wellness programs can have a significant positive impact on employee engagement, productivity, and retention (Towers Watson, 2020; Gallup, 2019; McKinsey & Company, 2018; SHRM, 2021; PwC, 2019). Therefore, it is hoped that this research can provide a deeper understanding of how welfare programs can contribute to achieving organizational strategic goals.

This research is expected to provide new insights into the importance of employee wellness programs in increasing engagement, productivity and retention in organizations. By combining findings from various sources, this research will provide a holistic understanding of how wellness programs can have a positive impact on various aspects of organizational performance. It is hoped that the results of this research will provide practical guidance for organizational leaders in designing and implementing effective employee wellness programs to increase employee engagement, productivity and retention.

2. Research Methods

The research method used in this study is a systematic literature review approach which aims to investigate the impact of employee welfare programs on employee engagement, productivity and retention. Reference sources were obtained from international databases such as PubMed, Scopus, Web of Science, and PsycINFO to ensure broad reach in the literature search. Keywords used in searches include phrases such as “employee well-being programs,” “employee engagement,” “productivity,” “retention,” and variations of other related keywords. After collecting articles, filtering was carried out by considering inclusion and exclusion criteria. Accepted articles must have direct relevance to the research topic, be published in a
peer-reviewed journal, and have a focus on evaluating or analyzing the impact of employee wellness programs. Articles that do not meet these criteria, such as editorials, book reviews, or articles lacking empirical data, will be rejected. With this approach, it is hoped that the study can present a comprehensive and reliable overview of the relationship between employee wellness programs and employee engagement, productivity and retention in an organizational context.

3. Results and Discussions

3.1 Employee welfare programs that increase engagement

Employee welfare programs are crucial for enhancing employee engagement within organizations. Research has shown that factors such as employee welfare, empowerment, employee growth, and interpersonal relationships are significant predictors of employee engagement (Mani, 2011; LAKSHMI et al., 2022). By prioritizing employee welfare and offering benefits like resilience training, additional sick leave, and basic amenities, organizations can positively impact employee engagement, satisfaction, work quality, and mental health (Turner & Gill, 2019). Companies that prioritize work-life balance have been successful in increasing employee engagement (Larasati et al., 2019).

Corporate social responsibility initiatives, including international corporate-sponsored volunteering programs, have been linked to higher employee engagement (Gullekson et al., 2021). Similarly, well-being programs have been found to positively influence organizational commitment and employee engagement (Chawla et al., 2022). Additionally, human resource practices play a significant role in shaping employee engagement, underscoring the importance of organizational support in fostering engagement (Vương & Suntrayuth, 2020).

Employee welfare programs not only aim to enhance employees' lives but also contribute to their happiness and job satisfaction, ultimately leading to increased engagement (Anitha & Sridharan, 2022). Moreover, providing welfare programs can boost employees' work motivation by addressing their personal and work-related needs, resulting in improved focus and productivity (Gumilar et al., 2021).

In conclusion, employee welfare programs are essential for boosting employee engagement within organizations. By addressing factors such as empowerment, growth opportunities, work-life balance, and social responsibility, companies can create an environment conducive to fostering high levels of engagement among their employees.

3.2 Employee welfare programs that increase productivity

Employee welfare programs are essential for enhancing employee engagement within organizations. Research has shown that initiatives such as management support work environments, team collaboration, and employee development have a positive impact on employee engagement, leading to improved organizational performance and increased employee welfare (Nelson, 2021). Additionally, corporate social responsibility efforts, such as international corporate-sponsored volunteering, have been associated with heightened employee engagement levels, showcasing the benefits of such programs on employee commitment and satisfaction (Gullekson et al., 2021).

Moreover, factors like career development planning, flexible welfare policies, and employee involvement programs have been identified as key drivers of new generation employee engagement, particularly in industries like manufacturing in China (Luo et al., 2015).
Employee welfare programs, including compensation plans and services, are designed to encourage behaviors that enhance organizational effectiveness, increase motivation, morale, and loyalty among employees (Karim, 2022; Haryono et al., 2017). Studies also indicate that wellness programs have a positive impact on organizational commitment and employee engagement, especially during challenging times like the COVID-19 pandemic (Chawla et al., 2022). Furthermore, welfare programs that address employees' personal and work-related needs have been found to boost work motivation, focus, and overall work spirit (Gumilar et al., 2021).

In conclusion, employee welfare programs are crucial for fostering employee engagement, loyalty, and performance within organizations. By implementing initiatives that support employee development, well-being, and involvement, companies can create a conducive work environment that enhances employee satisfaction and organizational success.

### 3.3 Employee welfare programs that increase employee retention

Employee wellness programs are essential for enhancing employee retention within organizations. Research by Raymond (2021) highlights the positive correlation between participation in wellness programs and improved cardiovascular health, indicating the benefits of such initiatives. Additionally, Chordiya (2018) emphasizes the importance of child care programs in promoting work-life balance, which is crucial for increasing retention rates. Furthermore, Kingi et al. (2019) suggest that retention programs focusing on training, development, reward systems, and work environment significantly impact employee performance, thereby contributing to higher retention levels.

Moreover, Wijaya et al. (2021) underscore that employee retention programs can effectively address turnover issues, reduce costs associated with turnover, and enhance overall productivity. This aligns with the recommendation from Rono (2017) that organizations should improve compensation policies, provide comprehensive training and career development opportunities, and establish regular training programs to attract and retain employees effectively. Additionally, Mahadi et al. (2020) emphasize the importance of identifying new strategies to enhance employee retention programs, further underlining the significance of continuous improvement in this area.

In conclusion, a holistic approach that includes employee wellness programs, training and development opportunities, competitive compensation policies, and supportive work environments is essential for increasing employee retention rates within organizations. By implementing these strategies, organizations can not only retain talent but also boost employee performance and overall productivity.

### 3.4 Impact of employee welfare programs on engagement

Employee wellness programs play a crucial role in promoting employee well-being and engagement, particularly during stressful times such as a pandemic (Chawla et al., 2022). These programs have been shown to enhance productivity and reduce costs for employers (Mitchell et al., 2020). Engaging stakeholders, including employees with chronic conditions, in the design and implementation of wellness initiatives can significantly improve the effectiveness of these programs (Keller et al., 2022). Moreover, providing incentives for healthy behaviors has been found to boost interest in wellness programs among various employee groups, especially those who are less engaged (Jenkins et al., 2018).
Research has indicated that employee engagement is closely associated with factors like job satisfaction, work-life balance, and psychological empowerment (Larasati et al., 2019; Syahrizal et al., 2019; Wicaksana, 2021). Managers are key in supporting employee participation in wellness programs, making them pivotal in driving employee engagement (Passey et al., 2018). Additionally, the leadership style within an organization can impact employee engagement, with self-sacrificial leadership being linked to increased employee creativity and engagement (Xu et al., 2022).

In conclusion, employee wellness programs are essential for fostering engagement, and elements such as stakeholder involvement, incentives, leadership styles, and managerial support all play significant roles in enhancing employee engagement through these programs.

### 3.5 Impact of employee welfare programs on productivity

Employee wellness programs have gained significant attention due to their potential impact on productivity. Research indicates that these programs aim to enhance employee well-being, reduce medical costs, and increase productivity (Jones et al., 2019). By encouraging employees to engage in activities that improve health and well-being, wellness programs can enhance employee capability and ultimately boost productivity (Gubler et al., 2018).

Studies have shown that employer-sponsored wellness programs can lead to positive health-related and economic outcomes among employees (Kaspin et al., 2013). Furthermore, comprehensive workplace wellness programs have been found to improve employee health, health beliefs, and medical use over time (Reif et al., 2020). Employee perceptions of wellness programs have been linked to turnover intention, job stress, and perceived organizational support, highlighting the influence of such programs on employee well-being and productivity (Varga et al., 2021).

The positive effects of employee recreation programs on productivity have been documented, emphasizing the significant impact of such initiatives on employee performance (Mercanoğlu, 2023). Tailored wellness programs have the potential to improve health behaviors, work productivity, and reduce healthcare costs, particularly for high-stress employees (Clark et al., 2011). Additionally, evidence suggests that animal-assisted support programs can positively impact employee well-being, reducing workplace stress and absenteeism while enhancing mood, health, productivity, job satisfaction, and work quality (Etingen et al., 2020).

Manager support for wellness champions is crucial for facilitating employee engagement in wellness programs, which in turn can improve employee health and productivity, leading to cost-savings for employers (Mitchell et al., 2020). While the impact of wellness programs on health status, medical care spending, and productivity may still be uncertain, these programs have the potential to foster a wellness culture that enhances employee engagement and performance (Abraham, 2019).

In conclusion, employee wellness programs play a vital role in promoting employee well-being, improving productivity, and reducing healthcare costs. By implementing comprehensive wellness initiatives and garnering support from managers, organizations can create a positive work environment that benefits both employees and the company as a whole.
3.6 Impact of employee welfare programs on employee retention

Employee wellness programs have gained significant attention due to their potential impact on various aspects of employee well-being, including retention. Research by Reif et al. (2020) highlights the effects of workplace wellness programs on employee health, health beliefs, and medical use, emphasizing the importance of such programs in improving employee health and reducing medical costs. Additionally, Pesis-Katz et al. (2021) demonstrate the positive association between individually tailored employee wellness programs and improved cardiovascular health outcomes, indicating the potential long-term benefits of these initiatives.

Moreover, the study by Alzaid & Dukhaykh (2023) emphasizes the role of employer branding strategies, such as providing a healthy work environment, compensation, work-life balance, corporate social responsibility (CSR), and training, in positively influencing employee retention. This aligns with the findings of (Tanwar & Prasad, 2016), who establish a positive relationship between employer branding outcomes and employee retention, emphasizing the significance of employer branding in enhancing retention efforts.

Furthermore, the research by Subramaniam et al. (2019) underscores the impact of performance management, rewards, recognition, work environment, and job design on employees' willingness to stay with their employer, highlighting the multifaceted nature of factors influencing retention. Additionally, the study by Andari et al. (2021) emphasizes the influence of the work environment and employee engagement on retention, indicating the interconnectedness of these factors in fostering employee loyalty.

In conclusion, employee wellness programs, employer branding strategies, effective performance management, conducive work environments, and employee engagement all play crucial roles in enhancing employee retention. By implementing comprehensive wellness initiatives, fostering a positive employer brand, recognizing and rewarding employees, and creating supportive work environments, organizations can significantly improve their retention rates and ultimately contribute to enhanced employee satisfaction and organizational performance.

Research Framework

![Employee Wellness and Engagement Program]

**Hypothesis:**

**H1:** There is a significant relationship between employee empowerment, growth opportunities, work-life balance, corporate social responsibility, managerial support, human resource practices and the level of employee engagement.
Hypothesis:

H2: There is a significant relationship between a supportive work environment, team collaboration, employee development, managerial support, flexibility policies, employee engagement programs and organizational productivity levels.

Hypothesis:

H3: There is a significant relationship between company policies that support work-life balance, career development, a supportive work environment, compensation and rewards and employee retention rates.

4. Conclusion

From the results of the analysis that has been carried out, it can be concluded that there is a significant relationship between the various independent factors that have been identified and the level of employee involvement in the organization. Factors such as employee empowerment, growth opportunities, work-life balance, corporate social responsibility, managerial support, and human resource practices have a positive impact on employee engagement. Likewise, the support of a supportive work environment, team collaboration, employee development, flexibility policies, and employee engagement programs have also been proven to contribute to increasing overall organizational productivity.

Additionally, factors such as company policies that support work-life balance, career development, a supportive work environment, and compensation and rewards also have a positive impact on employee retention rates in the organization. Implementation of these
policies and practices not only helps retain existing employees but also has the potential to attract new talent to the organization.

Thus, it can be concluded that employee welfare programs that take into account these various factors have great potential to increase employee engagement, organizational productivity and employee retention. This emphasizes the importance of efforts to create a conducive work environment, empower employees, and provide adequate rewards as strategies to improve overall organizational well-being and performance.

While this research provides valuable insights into the relationship between employee wellness programs and aspects such as engagement, productivity, and retention, there are several limitations that need to be noted. First, this research is limited to data obtained from available literature sources, so there is a potential lack of primary data that directly reflects the contemporary situation. Second, the geographical focus of the study may also affect the generalisability of the findings, as the study may only cover institutions or companies from certain regions. Third, it is possible that there are other factors outside the variables studied that also contribute to employee engagement, productivity and retention, but were not considered in this study.

For further research, there are several agendas that can be proposed. First, continued research could expand geographic and industry coverage to gain a more holistic understanding of the relationship between employee wellness programs and organizational performance. Second, empirical research involving surveys or case studies in the field can be conducted to gain deeper insight into the implementation of employee welfare programs in real contexts. Third, there is room for research on contextual factors that influence the effectiveness of employee wellness programs, such as organizational culture, leadership structure, and local labor market conditions. Thus, it is hoped that future research will provide a more comprehensive understanding of the role of employee wellness programs in increasing employee engagement, productivity and retention in various organizational contexts.

5. References


