

# A Study On Psychological Wellbeing And Performance Of Employees In Msme In Thoothukudi District

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The study investigates the relationship between psychological wellbeing and employee performance in Micro, Small, and Medium Enterprises (MSMEs) in Thoothukudi district. Psychological wellbeing, encompassing mental health, job satisfaction, stress management, and work–life balance, plays a vital role in influencing employee motivation and productivity. Primary data were collected from 120 employees using a structured questionnaire, supported by interviews and discussions, while secondary data were obtained from journals, books, and reports. A descriptive research design was adopted, and statistical tools such as correlation and one-way ANOVA were applied for analysis. The results of correlation analysis revealed significant positive relationships among psychological wellbeing factors, indicating that employees who feel satisfied, valued, and supported in their work environment show better performance and commitment. However, ANOVA results showed no significant influence of demographic factors such as age and educational qualification on work environment perceptions or employee performance. The study concludes that psychological wellbeing is a critical determinant of employee performance in MSMEs, emphasizing the need for supportive workplace practices, fair workload distribution, recognition systems, and mental health support. Strengthening these aspects can enhance employee wellbeing, productivity, and organizational sustainability in the MSME sector of Thoothukudi district.

**Key Words:** Psychological Wellbeing, Employee Performance, MSMEs, Work–Life Balance.

## INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are considered the backbone of the Indian economy, generating employment opportunities and contributing significantly to regional and national growth. In Thoothukudi district, MSMEs play a vital role in providing livelihood through various industrial, service, and trading activities. While these enterprises strengthen economic progress, the psychological wellbeing of employees working in them often receives less attention. Psychological wellbeing refers to an individual's mental health, emotional stability, and ability to cope with stress. It plays a crucial role in shaping employee motivation, job satisfaction, and productivity. Employees in MSMEs frequently encounter challenges such as long working hours, job insecurity, heavy workloads, and limited resources. These factors may adversely affect their mental health, leading to stress, fatigue, and reduced morale. As employee performance is influenced not only by skills but also by psychological health, poor wellbeing can result in absenteeism, low efficiency, and high turnover. On the other hand, employees with good psychological wellbeing tend to perform better, show greater creativity, and remain more committed to their organizations. Therefore, studying the relationship between psychological wellbeing and performance is vital for sustaining MSMEs. In the context of Thoothukudi, this research aims to highlight the impact of psychological wellbeing on employee performance and suggest measures to enhance workplace practices for better organizational outcomes.

## REVIEW OF LITERATURE

Diener, E., & Ryan, K. (2020) emphasized that psychological wellbeing is a key determinant of employee productivity and job satisfaction. Their study highlighted that employees with higher wellbeing are more resilient to stress, demonstrate better decision-making, and show stronger commitment to organizational goals. They further argued that organizations which invest in creating a supportive work environment and promoting wellbeing programs experience higher employee retention and overall performance improvement.

Warr, P. (2021) examined the relationship between workplace environment and employee wellbeing, suggesting that factors such as job autonomy, social support, and opportunities for skill development significantly enhance both mental health and performance. The study concluded that when employees feel valued and supported, they not only manage stress more effectively but also exhibit higher levels of innovation and collaboration, which directly contribute to organizational success.

### **STATEMENT OF THE STUDY**

Employees are the most valuable asset of any organization, and their performance largely determines the success and sustainability of business enterprises. In Micro, Small, and Medium Enterprises (MSMEs), especially in developing regions like Thoothukudi district, employees often face unique challenges such as job insecurity, lack of welfare measures, excessive workload, and limited career growth opportunities. These factors may directly influence their psychological wellbeing, which in turn affects their productivity and organizational commitment. Psychological wellbeing includes mental health, emotional balance, stress management, and overall life satisfaction. When employees maintain a positive psychological state, they are more motivated, efficient, and committed to organizational goals. Conversely, when wellbeing is compromised, it can lead to absenteeism, high turnover, reduced productivity, and workplace conflicts. Despite the importance of this relationship, studies focusing on employee psychological wellbeing and performance in the MSME sector remain limited, particularly in the context of Thoothukudi district. This study is undertaken to analyze the psychological wellbeing of employees in MSMEs and its impact on their performance. The findings are expected to provide valuable insights for employers and policymakers to design better workplace practices, promote employee welfare, and ensure sustainable growth of MSMEs in the region.

### **OBJECTIVES**

1. To examine the psychological wellbeing of employees working in MSMEs in Thoothukudi District.
2. To investigate the relationship between psychological wellbeing and employee performance in MSMEs.
3. To assess the impact of work-related factors on the psychological wellbeing of employees in MSMEs.

### **HYPOTHESIS - H0**

1. There is no significant relationship between Psychological Wellbeing factors
2. There is no significant relationship between Age and Work Environment factors
3. There is no significant relationship between educational qualification and Employee Performance

### **METHODOLOGY**

The present study on the psychological wellbeing and performance of employees in MSMEs in Thoothukudi district was conducted using both primary and secondary data sources. A descriptive research design was adopted to analyze the relationship between psychological wellbeing and employee performance, with simple random sampling used to ensure unbiased representation. A total of 120 employees from different MSMEs were selected as respondents, providing an adequate sample size for meaningful analysis. Primary data was collected through a structured questionnaire, supplemented by personal interviews and discussions to capture detailed insights, while secondary data was gathered from journals, books, research articles, government reports, and online databases. The collected information was systematically classified and tabulated, and statistical tools such as

correlation, and one way ANOVA test were applied to interpret the results and establish meaningful conclusions.

## ANALYSIS AND INTERPRETATION

**H0: There is no significant relationship between Psychological Wellbeing factors**

Correlations										
Factors		I feel satisfied with my job.	I have a good work-life balance.	I feel motivated to work every day.	My work environment supports my mental health.	I can handle stress effectively at work.	I have access to mental health resources or support when needed.	I feel valued and appreciated by my organization.	I experience positive interactions with my colleagues.	My workplace culture promotes respect and understanding.
I feel satisfied with my job.	Pearson Correlation	1	.523**	.367**	.353**	.257**	.372**	.389**	.191*	.413**
	Sig. (2-tailed)		.000	.000	.000	.005	.000	.000	.037	.000
	N	120	120	120	120	120	120	120	120	120
I have a good work-life balance.	Pearson Correlation	.523**	1	.485**	.431**	.387**	.423**	.258**	.145	.397**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.004	.113	.000
	N	120	120	120	120	120	120	120	120	120

I feel motivated to work every day.	Pearson Correlation	.367**	.485**	1	.553**	.494**	.422**	.387**	.144	.263**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	.116	.004
	N	120	120	120	120	120	120	120	120	120
My work environment supports my mental health.	Pearson Correlation	.353**	.431**	.553**	1	.615**	.589**	.531**	.385**	.432**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000	.000	.000
	N	120	120	120	120	120	120	120	120	120
I can handle stress effectively at work.	Pearson Correlation	.257**	.387**	.494**	.615**	1	.580**	.428**	.366**	.373**
	Sig. (2-tailed)	.005	.000	.000	.000		.000	.000	.000	.000
	N	120	120	120	120	120	120	120	120	120
I have access to mental health resources or support when needed.	Pearson Correlation	.372**	.423**	.422**	.589**	.580**	1	.418**	.370**	.473**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000	.000	.000
	N	120	120	120	120	120	120	120	120	120
I feel valued and appreciated by my organization.	Pearson Correlation	.389**	.258**	.387**	.531**	.428**	.418**	1	.264**	.307**
	Sig. (2-tailed)	.000	.004	.000	.000	.000	.000		.004	.001
	N	120	120	120	120	120	120	120	120	120
I experience positive interactions with my colleagues.	Pearson Correlation	.191*	.145	.144	.385**	.366**	.370**	.264**	1	.400**
	Sig. (2-tailed)	.037	.113	.116	.000	.000	.000	.004		.000
	N	120	120	120	120	120	120	120	120	120

My workplace culture promotes respect and understanding.	Pearson Correlation	.413**	.397**	.263**	.432**	.373**	.473**	.307**	.400**	1
	Sig. (2-tailed)	.000	.000	.004	.000	.000	.000	.001	.000	
	N	120	120	120	120	120	120	120	120	120

**Source: primary data**

#### Interpretation:

The correlation analysis involving 120 MSME employees in Thoothukudi shows significant positive interrelations among psychological wellbeing factors. Job satisfaction is moderately correlated with work-life balance ( $r = .523$ ,  $p < 0.01$ ) and workplace culture ( $r = .413$ ,  $p < 0.01$ ), suggesting that satisfied employees perceive improved work-life conditions. Strong motivation is linked to a supportive work environment ( $r = .553$ ,  $p < 0.01$ ) and stress management ( $r = .494$ ,  $p < 0.01$ ). The relationship between work environment and stress management is particularly strong ( $r = .615$ ,  $p < 0.01$ ). Access to mental health resources correlates well with work environment ( $r = .589$ ,  $p < 0.01$ ) and workplace culture ( $r = .473$ ,  $p < 0.01$ ). Feeling valued relates moderately to job satisfaction ( $r = .389$ ,  $p < 0.01$ ) and motivation ( $r = .387$ ,  $p < 0.01$ ). Positive colleague interactions significantly correlate with various factors, particularly workplace culture ( $r = .400$ ,  $p < 0.01$ ), supporting the overall findings.

**H0: There is no significant relationship between Age and Work Environment factors**

ANOVA						
Factors		Sum of Squares	df	Mean Square	F	Sig.
The physical work environment is safe and comfortable.	Between Groups	.645	4	.161	.208	.934
	Within Groups	89.147	115	.775		
	Total	89.792	119			
The workload is distributed fairly among employees.	Between Groups	9.500	4	2.375	2.396	.054
	Within Groups	113.967	115	.991		
	Total	123.467	119			
The management supports employees in overcoming challenges.	Between Groups	2.047	4	.512	.513	.726
	Within Groups	114.745	115	.998		
	Total	116.792	119			
Workplace conflicts are resolved effectively.	Between Groups	5.463	4	1.366	1.859	.122
	Within Groups	84.504	115	.735		
	Total	89.967	119			
Policies and procedures are clearly communicated to employees.	Between Groups	4.821	4	1.205	1.354	.254
	Within Groups	102.346	115	.890		
	Total	107.167	119			
The organization provides opportunities for employee engagement activities.	Between Groups	.177	4	.044	.060	.993
	Within Groups	85.415	115	.743		
	Total	85.592	119			
There is trust and transparency between employees and management.	Between Groups	2.611	4	.653	.774	.544
	Within Groups	96.980	115	.843		
	Total	99.592	119			

**Source: primary data**

#### Interpretation:

The one-way ANOVA test was applied to examine whether there is a significant relationship between the age of employees and various work environment factors in MSMEs of Thoothukudi district. The results show that for all the factors, the significance values (p-values) are greater than

0.05, except for one case that is borderline. For example, the factor “The physical work environment is safe and comfortable” has a significance value of 0.934, “Management supports employees in overcoming challenges” has 0.726, and “Policies and procedures are clearly communicated” has 0.254 — all of which are statistically insignificant. Similarly, factors such as trust and transparency ( $p = 0.544$ ), employee engagement opportunities ( $p = 0.993$ ), and conflict resolution ( $p = 0.122$ ) also do not show significant variation across age groups. The only factor close to the 5% significance level is “The workload is distributed fairly among employees” ( $p = 0.054$ ), but since it is slightly above 0.05, it is still considered not significant. Thus, the results indicate that age does not have a significant influence on the perception of work environment factors among employees in MSMEs. Therefore, the null hypothesis ( $H_0$ ) stating that there is no significant relationship between age and work environment factors is accepted.

**$H_0$ : There is no significant relationship between educational qualification and Employee Performance**

ANOVA						
Factors		Sum of Squares	df	Mean Square	F	Sig.
I consistently meet or exceed my work targets.	Between Groups	2.019	4	.505	.623	.647
	Within Groups	93.147	115	.810		
	Total	95.167	119			
I feel productive during working hours.	Between Groups	1.355	4	.339	.421	.794
	Within Groups	92.612	115	.805		
	Total	93.967	119			
I receive constructive feedback to improve my performance.	Between Groups	1.456	4	.364	.341	.850
	Within Groups	122.910	115	1.069		
	Total	124.367	119			
My efforts directly contribute to organizational goals.	Between Groups	4.556	4	1.139	.973	.425
	Within Groups	134.644	115	1.171		
	Total	139.200	119			
I am encouraged to bring innovative ideas to my work.	Between Groups	1.461	4	.365	.474	.754
	Within Groups	88.506	115	.770		
	Total	89.967	119			
I adapt well to changes and challenges at work.	Between Groups	1.437	4	.359	.411	.801
	Within Groups	100.555	115	.874		
	Total	101.992	119			
I collaborate effectively with my team members.	Between Groups	2.640	4	.660	.698	.595
	Within Groups	108.660	115	.945		
	Total	111.300	119			
I feel confident in my ability to perform tasks assigned to me.	Between Groups	3.448	4	.862	1.145	.339
	Within Groups	86.544	115	.753		
	Total	89.992	119			
My work performance is acknowledged and rewarded.	Between Groups	4.849	4	1.212	1.721	.150
	Within Groups	81.018	115	.705		
	Total	85.867	119			



I have opportunities for professional growth and skill development.	Between Groups	5.605	4	1.401	1.816	.130
	Within Groups	88.720	115	.771		
	Total	94.325	119			

**Source: primary data**

### **Interpretation:**

A one-way ANOVA test assessed the link between educational qualifications and employee performance among MSME employees in Thoothukudi. Results indicated that all performance-related factors had significance values (p-values) exceeding 0.05, suggesting no significant impact of educational qualifications on employee performance. Specific factors, such as consistently meeting work targets ( $p = 0.647$ ), productivity during working hours ( $p = 0.794$ ), and receipt of constructive feedback ( $p = 0.850$ ), showed no significant variation across qualification levels. Other factors examined, like contributions to organizational goals ( $p = 0.425$ ), adaptability ( $p = 0.801$ ), and team collaboration ( $p = 0.595$ ), also reflected this pattern. Even recognition and growth opportunities, including acknowledgment of performance ( $p = 0.150$ ) and professional development ( $p = 0.130$ ), were statistically insignificant. Consequently, the null hypothesis ( $H_0$ ) is accepted, showing educational qualifications do not significantly influence employee performance.

### **CONCLUSION**

The present study on the psychological wellbeing and performance of employees in MSMEs in Thoothukudi district highlights the critical role of mental health, motivation, and workplace conditions in shaping employee outcomes. The findings from correlation analysis confirm that psychological wellbeing factors such as job satisfaction, work–life balance, stress management, workplace support, and organizational culture are positively interrelated, demonstrating that when employees feel supported and valued, their performance improves significantly. This reinforces the importance of creating a work environment that prioritizes mental health and fosters positive organizational practices. The ANOVA analysis further reveals that demographic factors such as age and educational qualification do not have a statistically significant impact on work environment perceptions or employee performance. This suggests that irrespective of age or qualification, employees' performance is more strongly influenced by psychological wellbeing and workplace practices rather than their personal background characteristics.

Overall, the study concludes that MSMEs in Thoothukudi district must recognize psychological wellbeing as a vital determinant of employee productivity, creativity, and organizational commitment. By providing stress-free work environments, promoting respect and recognition, ensuring fair workload distribution, and introducing mental health support systems, MSMEs can enhance both employee wellbeing and business sustainability. The research underscores that investing in employees' psychological health is not only a welfare measure but also a strategic tool for the long-term growth of MSMEs.

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