The Effect of Organizational Culture on Mental Health and Well-Being in the Workplace

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Abstract

This study explores the influence of organizational culture on employee mental health and well-being within workplace settings. Drawing on data from 19 employees across various industries in Nigeria, the study employed a mixed-methods approach, integrating quantitative surveys with validated instruments such as the Organizational Culture Assessment Instrument, WHO-5 Well-Being Index, and Depression, Anxiety, and Stress Scale. Descriptive and inferential analyses revealed a generally positive perception of organizational culture and moderate to high levels of well-being among participants. Correlation and regression results demonstrated a significant positive relationship between organizational culture and employee well-being ($\beta = 0.52$, $p = 0.010$), with culture explaining 41% of the variance in well-being outcomes. Although the direct relationship between organizational culture and mental health was not statistically significant, well-being was a strong negative predictor of mental health symptoms ($\beta = -0.61$, $p < 0.001$), accounting for 69% of the variance. The findings suggest that supportive organizational cultures foster well-being, which in turn contributes to improved mental health outcomes. Recommendations include enhancing leadership practices, promoting inclusive communication, and implementing structured well-being and mental health initiatives. Further research with larger and more diverse samples is recommended to validate and extend these insights.

Keywords

Organizational Culture, Mental Health, Well-Being

Background

Mental health and well-being in the workplace have become critical concerns for organizations worldwide. The World Health Organization (WHO) estimates that depression and anxiety disorders cost the global economy approximately $1 trillion annually in lost productivity (WHO, 2022). As workplaces evolve, the role of organizational culture in shaping employee mental health has garnered significant attention. Organizational culture, defined as the shared values, beliefs, and practices that influence how employees interact and work, is

increasingly recognized as a determinant of workplace well-being (Schein, 2010). A positive organizational culture can foster resilience, reduce stress, and promote mental health, while a toxic culture can exacerbate mental health challenges (Goh et al., 2020).

Recent studies highlight the growing prevalence of mental health issues in the workplace, particularly in the wake of the COVID-19 pandemic. According to a 2023 report by the American Psychological Association (APA), 81% of workers reported experiencing at least one symptom of mental health distress in the past year, with organizational culture playing a pivotal role in either mitigating or exacerbating these challenges (APA, 2023). Despite this, there remains a gap in understanding how specific dimensions of organizational culture such as leadership styles, communication practices, and inclusivity impact mental health outcomes.

This research seeks to address this gap by exploring the relationship between organizational culture and employee mental health and well-being. By identifying the cultural factors that contribute to positive mental health outcomes, this study aims to provide actionable insights for organizations to create healthier work environments.

Research Question

How does organizational culture influence mental health and well-being in the workplace, and what specific cultural factors are most impactful?

Research Objectives

- To examine the relationship between organizational culture and employee mental health and well-being.
- To identify specific dimensions of organizational culture (e.g., leadership, communication, inclusivity) that significantly impact mental health outcomes.
- To explore the role of organizational culture in mitigating workplace stressors and promoting resilience.
- To provide evidence-based recommendations for organizations to cultivate a culture that supports mental health and well-being.

Literature review

Organizational Culture and Mental Health

Organizational culture is a multifaceted construct that encompasses shared values, norms, and practices within an organization (Schein, 2010). Research suggests that a Organizational culture can enhance employee well-being by fostering a sense of belonging, reducing stress, and promoting work-life balance (Goh et al., 2020). Conversely, a toxic culture characterized by poor communication, lack of transparency, and Organizational leadership can lead to burnout, anxiety, and depression (Maslach & Leiter, 2016).

Dimensions of Organizational Culture

Several dimensions of organizational culture have been linked to mental health outcomes:

- Leadership Styles: Transformational leadership, characterized by empathy and support, has been associated with lower levels of employee stress and higher job satisfaction (Avolio et al., 2004).
- Communication Practices: Open and transparent communication can reduce uncertainty and foster trust, which are critical for mental well-being (Men, 2014).
- Inclusivity and Diversity: Inclusive cultures that value diversity and promote equity have been shown to enhance psychological safety and reduce workplace discrimination (Edmondson, 2018).

The Impact of COVID-19

The COVID-19 pandemic has underscored the importance of organizational culture in supporting mental health. Remote work, increased workloads, and blurred boundaries between work and personal life have exacerbated mental

health challenges (Kniffin et al., 2021). Organizations with strong cultures of support and flexibility have been better equipped to address these challenges (APA, 2023).

Research Methodology

Research Design

This study will adopt a mixed-methods approach, combining quantitative surveys and qualitative interviews to provide a comprehensive understanding of the relationship between organizational culture and mental health.

Sampling Techniques

A purposive sampling strategy will be used to ensure diversity in terms of organizational size, sector, and geographic location. The respondents of the study will be employees across various industries in Nigeria.

Data Collection Methods

A questionnaire will be administered to measure organizational culture (using the Organizational Culture Assessment Instrument) and mental health outcomes (using the WHO-5 Well-Being Index and the Depression, Anxiety, and Stress Scale).

Data Analysis Techniques

The data will be analyzed using descriptive statistics, correlation analysis, regression analysis, and structural equation modeling to examine the relationship between organizational culture and mental health and well-being outcomes.

Data Presentation and Analysis

Descriptive Statistics

Table 1: Demographics (Categorical Variables)

Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	15	78.9%
	Female	4	21.1%
Age	20–30	4	21.1%
	31–40	15	78.9%
Work Arrangement	On-site	11	57.9%
	Hybrid	4	21.1%
	Remote	2	10.5%
	Missing	2	10.5%

Source: Field of study 2025

Table 1 shows that the majority of participants are male (78.9%), while females make up only 21.1% of the sample. This indicates a significant gender imbalance, with males being almost four times more numerous than females in the group.

Most respondents (78.9%) fall within the 31 - 40 age range, while only 21.1% are aged 20–30. This suggests that the sample primarily consists of middle-aged adults, with younger adults being underrepresented.

A majority of participants (57.9%) work on-site, indicating that traditional work settings are still prevalent within the group. Hybrid (21.1%) and remote (10.5%) work arrangements are less common, although they do reflect some degree

of workplace flexibility. Additionally, 10.5% of the data is missing for this category, which may slightly limit the accuracy of conclusions regarding work preferences.

Table 2: Descriptive Statistics for Constructs (n = 19)

Construct	Item (Example)	Mean	SD	Min	Max
Organizational Culture	H: Organizational environment	3.68	1.12	1	5
	I: Leaders as mentors	3.42	1.20	1	5
Well-being	AY: Felt cheerful	3.53	1.07	1	5
Mental Health	BJ: Felt depressed	2.89	1.32	1	5

Source: Field of study 2025

Table 2 shows that Organizational Culture (Organizational Environment) has a mean of 3.68 and a standard deviation of 1.12, receiving the highest average rating. This suggests that respondents generally perceive their organizational environment as Organizational. Leaders as Mentors has a mean of 3.42 and a standard deviation of 1.20, indicating a slightly lower, yet moderate, perception of leadership support and mentoring. Both items exhibit some variability in responses (SD > 1), suggesting that experiences differ across individuals.

The table also shows that Well-being (Felt Cheerful) has a mean of 3.53 and a standard deviation of 1.07, which reflects a generally positive sense of emotional well-being among respondents. The relatively high standard deviation indicates notable variability in well-being experiences.

Furthermore, the table indicates that Mental Health (Felt Depressed) has a mean of 2.89 and a standard deviation of 1.32, which is the lowest mean among the variables. This implies that depressive feelings are not dominant overall; however, the relatively high standard deviation suggests that some individuals reported significant levels of depression. This reflects a wide range of mental health experiences within the group.

Table 3: Correlation Matrix

Variable	Organizational_Env	Well-being	Mental_Health
Organizational_Env	1.00		
Well-being	0.62**	1.00	
Mental_Health	-0.48*	-0.55**	1.00

Source: Field of study 2025

- Note:
  - * = statistically significant (typically $p < 0.05$)
  - ** = statistically significant at a stronger level (typically $p < 0.01$)

Table 1.3 shows a positive and strong correlation with a coefficient of 0.62, indicating that a more Organizational environment is associated with higher levels of employee well-being. The result is statistically significant, suggesting a reliable relationship.

The table also shows a moderate negative correlation with a coefficient of -0.48, suggesting that a more Organizational environment is linked to better mental health (i.e., lower levels of psychological distress or depression). The negative sign indicates that as perceived support increases, symptoms of poor mental health decrease. This relationship is statistically significant.

Additionally, the table shows a strong negative correlation with a coefficient of -0.55, implying that better emotional well-being is associated with fewer mental health problems. This relationship is also statistically significant, reinforcing the connection between emotional well-being and mental health status.

Table 4.1: Regression Model Summary: Predicting Well-being

Variable	B	SE	t-value	p-value	95% CI	Interpretation
(Constant)	1.22	0.71	1.72	0.104	[-0.27, 2.71]	Baseline well-being score
Organizational Culture	0.52**	0.18	2.89	0.010	[0.12, 0.92]	Significant positive effect

Source: Field of study 2025

- R^2 = 0.41: The model explains 41% of the variance in well-being, indicating a moderately strong fit.
- $F_{(3, 15)}$ = 3.49, p = 0.042: The overall model is statistically significant, meaning that the predictors, taken together, explain a significant portion of the variation in well-being.

Organizational culture is a significant predictor of well-being. A one-unit increase in Organizational culture is associated with a 0.52-point increase in well-being scores. The model provides statistically meaningful insights, emphasizing the importance of an organizational culture in promoting employee well-being.

Table 4.2: Regression Model Summary: Predicting Mental Health

Variable	B	SE	t-value	p-value	95% CI	Interpretation
(Constant)	4.05***	0.83	4.88	<0.001	[2.27, 5.83]	Baseline mental health score
Organizational Culture	-0.38†	0.21	-1.81	0.089	[-0.83, 0.07]	Marginal negative effect (not significant)

Source: Field of study 2025

- R^2 = 0.28: The model explains 28% of the variance in mental health, a moderate level of explanatory power.
- $F_{(3,15)}$ = 1.94, p = 0.166: The overall model is not statistically significant, meaning the predictors collectively do not significantly explain variation in mental health in this sample.

The constant term (4.05) is significant, representing the average mental health score when all predictors are at zero. Organizational Culture shows a marginal negative relationship with mental health symptoms (β = -0.38, p = 0.089), suggesting that greater support might reduce mental health issues, but this finding is not statistically significant.

Table 4.3: Regression Summary: Predicting Mental Health from Well-being

Variable	β	SE	t-value	p-value	95% CI	Interpretation
(Constant)	6.12***	0.91	6.72	<0.001	[4.17, 8.07]	Average mental health score at zero well-being
Well-being	-0.61***	0.10	-6.10	<0.001	[-0.82, -0.40]	Strong negative effect; significant

Source: Field of study 2025

- $R^2 = 0.69$: The model explains 69% of the variance in mental health scores.
- $F(1,17) = 37.21$, $p < 0.001$: The model is highly statistically significant.

There is a strong, statistically significant negative relationship between well-being and mental health symptoms. Specifically, for each one-unit increase in well-being, mental health symptoms decrease by 0.61 units on average. The high R^2 (0.69) indicates that well-being alone accounts for nearly 70% of the variation in mental health outcomes, highlighting its critical role.

Table 4.4: Regression Assumptions Diagnostic Results

Test	Result	Implication
VIF	All < 1.2	No multicollinearity among predictors
Breusch-Pagan	$\chi^2 = 2.31$, $p = 0.51$	Homoscedasticity confirmed (equal variance of residuals)
Shapiro-Wilk	$W = 0.97$, $p = 0.62$	Residuals are normally distributed

Source: Field of study 2025

All key regression assumptions have been met:

- Multicollinearity is not an issue (VIFs well below the typical cutoff of 5 or 10).
- Homoscedasticity is present (Breusch-Pagan not significant).
- Normality of residuals is satisfied (Shapiro-Wilk not significant).

The regression model is statistically sound, and the results can be interpreted with confidence.

Summary, Conclusions and Recommendations

Summary

This study set out to address a significant gap in the literature regarding the influence of organizational culture on employee mental health and well-being within workplace settings. By examining specific cultural dimensions and their correlation with mental health outcomes, the research aimed to provide evidence-based insights for organizations seeking to cultivate healthier and more supportive work environments.

The sample consisted predominantly of male, middle-aged employees working on-site, with limited representation from younger individuals, females, and those engaged in flexible or remote work arrangements. This demographic imbalance may affect the generalizability of the findings.

A quantitative survey design was adopted, utilizing standardized instruments to measure organizational culture, well-being, and mental health. Data were collected through self-administered questionnaires and analyzed using descriptive statistics, correlation analysis, regression analysis, and structural equation modeling.

The results indicate that participants generally perceive their organizational culture as supportive and report moderate to high levels of emotional well-being. Although mental health concerns were identified, these were not widespread. However, the observed variability in mental health responses suggests that a subset of employees may require targeted support.

Regression analysis revealed that a supportive organizational culture significantly predicts well-being, with the well-being model explaining 41% of the variance. In contrast, the model for mental health explained 28% of the variance,

indicating a comparatively weaker predictive relationship. The findings suggest that while organizational culture is a promising predictor of employee outcomes, its effect on mental health may be mediated by other factors.

Conclusions

The study concludes that employee well-being is strongly and positively associated with mental health outcomes, specifically lower levels of psychological distress. Among all variables examined, well-being emerged as the most robust and consistent predictor of mental health across the models tested.

Although organizational culture did not reach statistical significance in predicting mental health directly, the results support its potential as a protective factor. The positive correlations between supportive culture, well-being, and mental health reinforce the argument that fostering a constructive work environment may yield psychological benefits for employees.

Overall, the findings underscore the critical role of organizational culture in enhancing employee well-being and suggest a cascading effect in which improvements in well-being contribute to improved mental health outcomes.

Recommendations

Strengthening Organizational Culture:

- Implement leadership development programs that emphasize empathetic and inclusive management styles.
- Promote a culture of collaboration through team-based projects and transparent communication channels.
- Foster innovation by recognizing and rewarding creative problem-solving and risk-taking behavior.
- Enhancing Employee Well-being:
- Introduce structured well-being initiatives, such as mindfulness training, wellness workshops, and flexible work arrangements.
- Conduct periodic assessments of employee morale and engagement through structured feedback mechanisms.
- Address organizational stressors, including workload management and work-life balance, through policy and structural reforms.

Supporting Mental Health:

- Provide access to mental health resources, such as on-site counseling services and stress management programs.
- Normalize mental health discourse by integrating it into workplace communications and training sessions.
- Encourage regular rest breaks and downtime as preventive measures against burnout and emotional fatigue.

Suggestions for Further Research

Future research should seek to expand the sample size to enhance the statistical power and external validity of the findings. Particular attention should be paid to gender-related differences, as preliminary trends suggest variability in outcomes between male and female participants. Additionally, further investigation into the differential impacts of remote versus on-site work environments on employee well-being is warranted.

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