

Sustainable Organizational Practices as Drivers of Employee Wellbeing and Engagement: An Empirical Analysis

Jenit Calvin*, Michael Aaron Theodore, Diya Sakthivel, Dr. Dhyana Sharon Ross

Loyola Institute of Business Administration, Chennai, India

*Corresponding Author

ABSTRACT

This paper examines how organizational sustainability practices across the four dimensions of Europe's ESG codes of conduct, Environmental, Social, Economic, and Governance, influence employee well-being among IT professionals in Chennai, with a specific focus on employee engagement. A quantitative, cross-sectional research design was employed, using survey data collected from 478 full-time employees working in mid-sized and large IT organizations that have actively implemented sustainability initiatives. Respondents were selected through purposive sampling to ensure adequate exposure to ESG-related practices. ESG practices, employee well-being, and employee engagement were measured using standardized five-point Likert scales adapted from previously validated instruments. The reliability and validity of the measures were established through Cronbach's alpha values ranging from 0.85 to 0.91, along with Composite Reliability, Average Variance Extracted, and Confirmatory Factor Analysis. Statistical analyses, including descriptive statistics, correlation analysis, multiple regression, and hierarchical regression, were conducted using SPSS and AMOS to examine the impact of sustainability practices on employee well-being and the moderating role of engagement. The findings indicate that all four ESG dimensions significantly predict employee well-being, explaining 58% of the variance ($R^2 = 0.58$). Governance practices emerged as the strongest predictor, followed by social, environmental, and economic practices. This underscores the critical role of ethical leadership, transparent communication, and fair decision-making in enhancing employee well-being within high-pressure IT environments. The study highlights the importance of integrating ESG principles into HR and leadership strategies to foster a sustainable workforce, enhance engagement and resilience, and create a work climate where employees feel valued and supported.

Keywords: ESG Practices; Employee Well-being; Employee Engagement; Sustainable Organizations; Governance Practices; IT Sector

