



Employee Happiness Index and its Influence on Employee Performance: A Study in an Apparel Industry

Nithish S^{1*}, Clayton Michael Fonceca²

¹ Research Scholar, P.G. & Research Department of Social Work, Sacred Heart College (Autonomous), Tirupattur District, TN – India

² Assistant Professor, P.G. & Research Department of Social Work, Sacred Heart College (Autonomous), Tirupattur District, TN – India

* Corresponding Author: **Nithish S**

Article Info

ISSN (online): 2583-6641

Impact Factor (RSIF): 8.56

Volume: 05

Issue: 02

March-April 2026

Received: 16-01-2026

Accepted: 14-02-2026

Published: 12-03-2026

Page No: 48-56

Abstract

Employee happiness has emerged as a critical determinant of employee productivity in the modern workplace. The current study aims to understand the concept of the Employee Happiness Index and its impact on the Employee Performance in the apparel industry. The research methodology followed for this study was descriptive research. The primary data collection method followed for the study was a structured questionnaire administered to 100 employees through the convenience sampling method. The data analysis tools used for the current study include percentage analysis, independent sample t-test analysis, One-way ANOVA F-test analysis, and correlation analysis. The findings of the current study reveal that nearly half of the employees belong to the age group of 40-49 years. Furthermore, the findings reveal that the employees are predominantly female employees. The results of the analysis also reveal that most of the demographic variables do not show significant results with the Employee Happiness Index. Only a few variables have shown significant results. Moreover, the results of the correlation analysis showed that only a weak relationship existed between demographic variables and employee happiness/performance. The conclusion that can be made from the study is that improving working conditions, positive working relationships, and work-life balance can significantly improve employee happiness and performance.

DOI: <https://doi.org/10.54660/IJMOR.2026.5.2.48-56>

Keywords: Employee Happiness Index, Employee Performance, Workplace Well-being, Organizational Behaviour, Work-Life Balance

Introduction

In the contemporary business environment, organizations are recognizing employees as one of the most valuable resources in achieving organizational success. Employees' efficiency, commitment, and performance play an important role in contributing to organizational productivity. Employee happiness has been recognized as an important concept in the recent years in the domain of human resource management. This is because organizations have recognized that employees' happiness plays an important role in contributing to organizational performance. Employee happiness is defined as the overall positive emotional experience that employees experience in the workplace. It is not just confined to employees' satisfaction but is extended to include various aspects such as employees' relationships, employees' recognition, work-life balance, etc. Employees experiencing happiness in the workplace would exhibit high levels of motivation, commitment, and productivity. They would actively contribute to the success of the organization. Employees experiencing dissatisfaction or unhappiness in the workplace might experience low motivation, low productivity, high stress levels, etc. All these would affect the overall performance of the organization. In the present competitive environment, continuous efforts are being made by the organizations to build a work culture that can enhance the happiness of employees.

Factors like employees' relationships, emotional well-being, fair treatment, and work-life balance are significant in creating the overall happiness of employees. These factors are combined and create the Employee Happiness Index, which shows the level of happiness of employees in the work environment. Apparel Industry: Apparel is considered one of the major industries that provide employment opportunities for a large number of employees. Since the overall productivity of employees is directly related to the overall output of the industry, the factors that influence the overall happiness of employees need to be understood. By understanding the overall relationship between the Employee Happiness Index and the overall performance of employees, the present study aims at analyzing the level of employee happiness and its impact on the overall performance of employees in the apparel industry.

Review of Literature

Workplace happiness has been extensively researched as an essential element that impacts various facets of the employees' attitude and organizational performance. Kern and Ko (2009) ^[17] suggested in their study that employees who feel happy at work are likely to exhibit higher levels of motivation, productivity, and organizational commitment. Fisher (2010) ^[13] explained that happiness at work is a complex concept that involves positive emotions, job satisfaction, and meaningful engagement in work activities, thereby positively impacting the employees' performance. Chaiprasit and Santidhiraku (2011) ^[11] suggested that employees who work in an environment that encourages cooperation among employees are likely to exhibit higher happiness and job satisfaction, thereby positively impacting their work performance. Van De Voorde, Paauwe, and Van Veldhoven (2012) ^[29] suggested that well-being plays an essential role in enhancing the relationship between human resource management practices and organizational performance. Kumari and Rachna (2011) ^[18] also emphasized that job satisfaction has a significant effect on the attitude of employees towards their work and their productivity. Abraham (2015) ^[1] has identified various factors that affect workplace happiness. These factors include work-life balance, recognition, and leadership. Furthermore, Mazzetti, Guglielmi, Chiesa, and Mariani (2016) ^[22] emphasized that employees who work in a resourceful and psychologically supportive work environment have higher happiness and psychological capital, which increases their productivity. Joo and Lee (2017) ^[15] found that workplace happiness has a positive effect on employees' engagement, career satisfaction, and subjective well-being. Furthermore, Nierenberg, Alexakis, Preziosi, and O'Neill (2017) ^[23] found that organizational culture, leadership, and job satisfaction have a significant effect on the happiness of employees. The recent studies of Awada, Johar, and Ismail (2019) ^[5] found that employee happiness has a significant positive effect on the performance of employees. Similarly, Al-Ali *et al.* (2019) ^[6] showed that job happiness acts as a mediator in the relationship between job satisfaction and employee performance. More recent studies by Thevanes and Jathurika (2021) ^[28] showed that the relationship between employee happiness and job satisfaction and employee productivity is high. Moreover, Jeba Kanmani and Fonceca (2023) ^[16] showed that the Employee Happiness Index has a significant impact on employee performance. More recent research by Bellet, De Neve, and Ward (2024) ^[10] showed that when

employees are happy, they are more productive and contribute positively to the success of the organization. Thus, from the above studies, it can be understood that workplace happiness is an essential factor that influences employee engagement, job satisfaction, and performance, thereby contributing positively to organizational success.

Methodology

Aim: To study Employee Happiness Index and its influence on Employee Performance

Objectives:

1. To examine the level of Employee Happiness Index and Employee Performance among employees.
2. To analyse the difference between gender and the overall Employee Happiness Index and Employee Performance of the respondents.
3. To examine the difference among the type of employment with the overall Employee Happiness Index and Employee Performance.
4. To analyse the relationship between monthly income with the overall Employee Happiness Index and Employee Performance.

Hypotheses:

1. There is no significant difference between gender and employee happiness index and performance of the respondents.
2. There is no significant difference among work shift and the happiness index and performance of the respondents.
3. The monthly income has a significant relationship between and the employee happiness index and performance of the respondents.

Research Design:

The research design adopted for the conduct of the research was the Descriptive Research Design. Descriptive research helps to collect information about the attitudes and perceptions of the employees regarding the various factors that affect the level of employee happiness. It also helps the researcher to describe the various aspects of employee happiness and performance at the workplace.

Universe and Sampling:

The universe for the study included the employees working in an apparel industry in Chandapura, Bangalore. For conducting the study, the researcher used the simple random sampling technique to select the sample for the study. A total of 100 respondents were selected as the sample for the study.

Tools for Data Collection:

The primary data for the study was collected through the questionnaire method. The questionnaire consisted of close-ended questions that measured the various dimensions of the factors that influence the Employee Happiness Index and Employee Performance, such as:

- Work Relationships
- Emotional Well-being
- Work-Life Balance
- Job Meaningfulness
- Work Accuracy
- Task Efficiency
- Team Collaboration

- Work Discipline

The responses were measured using a Likert scale to analyse the opinions and perceptions of the respondents.

Analysis and Interpretation

Various statistical analysis were computed using SPSS V.21, to understand the factors influencing the employee happiness index and employee performance, this includes quartile deviations, 't'-Test, One-way analysis of variance and Karl Pearson's correlation. The findings are presented below:

Table 1: Distribution of respondents based on their overall Employee Happiness Index and Performance

| Dimensions | Employee Happiness Index and Performance | | | | | |
|--|--|------|----------|------|-------|------|
| | Low | | Moderate | | High | |
| | Freq. | (%) | Freq. | (%) | Freq. | (%) |
| Work Relationships | 5 | 5.0 | 92 | 92.0 | 3 | 3.0 |
| Emotional Well-being | 36 | 36.0 | 63 | 63.0 | 1 | 1.0 |
| Work-Life Balance | 4 | 4.0 | 15 | 15.0 | 81 | 81.0 |
| Job Meaningfulness | 9 | 9.0 | 14 | 14.0 | 77 | 77.0 |
| Work Accuracy | 11 | 11.0 | 9 | 9.0 | 80 | 80.0 |
| Task Efficiency | 11 | 11.0 | 16 | 16.0 | 73 | 73.0 |
| Team Collaboration | 2 | 2.0 | 12 | 12.0 | 86 | 86.0 |
| Work Discipline | 10 | 10.0 | 52 | 52.0 | 38 | 38.0 |
| Overall Employee Happiness Index and Performance | 28 | 28.0 | 35 | 35.0 | 37 | 37.0 |

The above table illustrates the distribution of the respondents based on their overall Employee Happiness Index and Employee Performance. It is observed that more than half of the total respondents (around 60%) belong to the high-level category of employee happiness. This suggests that the majority of the employees are experiencing high levels of happiness in their work environment. It is further observed that nearly one-third of the total respondents (around 30%) belong to the moderate level category of employee happiness. This suggests that the majority of the employees are experiencing moderate levels of happiness in their work

environment. Additionally, it is observed that only a small percentage of the total respondents (around 10%) belong to the low-level category of employee happiness. This suggests that very few employees are experiencing low levels of happiness in their work environment. The results clearly indicate that the majority of the employees are experiencing high levels of happiness in their work environment. Therefore, it can be inferred that the organization has been successful in providing a favorable work environment to its employees.

Table 2: Independent Sample 't' – Test based on the gender of the respondents and with the overall Employee Happiness Index and Performance.

| Variable | Mean | Std. Deviation | Std. Error Mean | Df | Statistical Inference |
|---|--------|----------------|-----------------|----|------------------------------------|
| Work Relationships | | | | | |
| Male | 15.95 | .375 | .080 | 98 | 't'=.754 P>0.05 Not Significant |
| Female | 15.91 | .628 | .071 | | |
| Emotional Well-being | | | | | |
| Male | 18.91 | 1.342 | .286 | 98 | 't'=.231 P>0.05 Not Significant |
| Female | 19.23 | 1.031 | .117 | | |
| Work-Life Balance | | | | | |
| Male | 19.73 | .935 | .199 | 98 | 't'=.587 P>0.05 Not Significant |
| Female | 19.59 | 1.074 | .122 | | |
| Job Meaningfulness | | | | | |
| Male | 19.36 | 1.002 | .214 | 98 | 't'=.499 P>0.05 Not Significant |
| Female | 19.55 | 1.180 | .134 | | |
| Work Accuracy | | | | | |
| Male | 19.68 | .894 | .191 | 98 | 't'=.849 P>0.05 Not Significant |
| Female | 19.64 | .882 | .100 | | |
| Task Efficiency | | | | | |
| Male | 19.00 | 1.447 | .309 | 98 | 't'=.360 P>0.05 Not Significant |
| Female | 19.33 | 1.518 | .172 | | |
| Team Collaboration | | | | | |
| Male | 19.73 | .935 | .199 | 98 | 't'=.986 P>0.05 Not Significant |
| Female | 19.73 | .784 | .089 | | |
| Work Discipline | | | | | |
| Male | 17.95 | 1.046 | .223 | 98 | 't'=.106 P>0.05 Not Significant |
| Female | 18.40 | 1.143 | .129 | | |
| Overall Employee Happiness Index and Performance | | | | | |
| Male | 132.36 | 3.566 | .760 | 98 | 't'=.540 P>0.05 Not Significant |
| Female | 132.99 | 4.353 | .493 | | |

The above table indicates the findings of the independent sample t-test, which was conducted to analyze whether there is a significant difference between gender and the overall Employee Happiness Index and Employee Performance. The findings of the study reveal that nearly three-fourths of the respondents were female employees, while one-fourth of the respondents were male employees. This indicates that female employees dominated the workforce. The mean values of employee happiness for male and female respondents show a small degree of difference. The calculated p-value is greater than the significance level of 0.05. This indicates that there is no significant difference in the two groups. This means that male as well as female employees in the organization experience similar levels of employee happiness. Therefore,

it can be concluded that the null hypothesis (H_0) is accepted, and it is concluded that there is no significant impact of gender on Employee Happiness Index and Employee Performance.

H_0 : There is no significant difference between gender and employee happiness index and performance of the respondents.

H_1 : There is a significant difference between gender and employee happiness index and performance of the respondents.

Result: As the calculated value is not significant at 0.05 level, the null hypothesis is accepted, and the alternative hypothesis is rejected.

Table 3: Independent Sample 't' – Test based on the Marital Status of the respondents and with the overall Employee Happiness Index and Performance

| Variable | Mean | Std. Deviation | Std. Error Mean | Df | Statistical Inference |
|---|--------|----------------|-----------------|----|------------------------------------|
| Work Relationships | | | | | |
| Married | 15.95 | .455 | .049 | 98 | 't'=.130 P>0.05 Not Significant |
| Unmarried | 15.69 | 1.109 | .308 | | |
| Emotional Well-being | | | | | |
| Married | 19.20 | 1.087 | .117 | 98 | 't'=.411 P>0.05 Not Significant |
| Unmarried | 18.92 | 1.256 | .348 | | |
| Work-Life Balance | | | | | |
| Married | 19.61 | 1.071 | .115 | 98 | 't'=.790 P>0.05 Not Significant |
| Unmarried | 19.69 | .855 | .237 | | |
| Job Meaningfulness | | | | | |
| Married | 19.57 | 1.096 | .117 | 98 | 't'=.143 P>0.05 Not Significant |
| Unmarried | 19.08 | 1.382 | .383 | | |
| Work Accuracy | | | | | |
| Married | 19.63 | .864 | .093 | 98 | 't'=.603 P>0.05 Not Significant |
| Unmarried | 19.77 | 1.013 | .281 | | |
| Task Efficiency | | | | | |
| Married | 19.29 | 1.501 | .161 | 98 | 't'=.640 P>0.05 Not Significant |
| Unmarried | 19.08 | 1.553 | .431 | | |
| Team Collaboration | | | | | |
| Married | 19.76 | .747 | .080 | 98 | 't'=.366 P>0.05 Not Significant |
| Unmarried | 19.54 | 1.198 | .332 | | |
| Work Discipline | | | | | |
| Married | 18.31 | 1.134 | .122 | 98 | 't'=.815 P>0.05 Not Significant |
| Unmarried | 18.23 | 1.166 | .323 | | |
| Overall Employee Happiness Index and Performance | | | | | |
| Married | 133.01 | 3.996 | .428 | 98 | 't'=.320 P>0.05 Not Significant |
| Unmarried | 131.77 | 5.341 | 1.481 | | |

The above table represents the result obtained from the t-test that was carried out to determine the relationship between marital status and the Employee Happiness Index. The distribution of the employees indicates that more than half are married employees, while nearly one-third are unmarried employees. The proportion of unmarried employees is very small. The mean values obtained from the employee happiness among married and unmarried employees are similar. The significance value obtained is more than 0.05. Therefore, the difference is not significant. Thus, the happiness level and employee performance among married

and unmarried employees are similar. Therefore, the null hypothesis is accepted, and it is concluded that marital status does not affect the Employee Happiness Index and Employee Performance among the respondents.

H_0 : There is no significant difference between marital status and the happiness index and performance of the respondents.

H_1 : There is a significant difference between marital status and the happiness index and performance of the respondents.

Result: The value is not significant at 0.05; the null hypothesis is accepted, while the alternative hypothesis is rejected.

Table 4: Independent Sample 't' – Test based on the Type of Employment of the respondents and with the overall Employee Happiness Index and performance

| Variable | Mean | Std. Deviation | Std. Error Mean | Df | Statistical Inference |
|---|--------|----------------|-----------------|----|------------------------------------|
| Work Relationships | | | | | |
| Permanent | 15.92 | .595 | .061 | 98 | 't'=.754 P>0.05 Not Significant |
| Contractual | 16.00 | .000 | .000 | | |
| Emotional Well-being | | | | | |
| Permanent | 19.19 | 1.075 | .110 | 98 | 't'=.248 P>0.05 Not Significant |
| Contractual | 18.60 | 1.673 | .748 | | |
| Work-Life Balance | | | | | |
| Permanent | 19.64 | 1.031 | .106 | 98 | 't'=.358 P>0.05 Not Significant |
| Contractual | 19.20 | 1.304 | .583 | | |
| Job Meaningfulness | | | | | |
| Permanent | 19.63 | .935 | .096 | 98 | 't'=.000 P<0.05 Significant |
| Contractual | 17.20 | 2.168 | .970 | | |
| Work Accuracy | | | | | |
| Permanent | 19.65 | .835 | .086 | 98 | 't'=.897 P>0.05 Not Significant |
| Contractual | 19.60 | 1.673 | .748 | | |
| Task Efficiency | | | | | |
| Permanent | 19.31 | 1.488 | .153 | 98 | 't'=.190 P>0.05 Not Significant |
| Contractual | 18.40 | 1.673 | .748 | | |
| Team Collaboration | | | | | |
| Permanent | 19.72 | .834 | .086 | 98 | 't'=.450 P>0.05 Not Significant |
| Contractual | 20.00 | .000 | .000 | | |
| Work Discipline | | | | | |
| Permanent | 18.23 | 1.086 | .111 | 98 | 't'=.008 P<0.05 Significant |
| Contractual | 19.60 | 1.342 | .600 | | |
| Overall Employee Happiness Index and Performance | | | | | |
| Permanent | 133.05 | 4.165 | .427 | 98 | 't'=.034 P<0.05 Significant |
| Contractual | 129.00 | 2.449 | 1.095 | | |

The above table shows the results obtained from the t-test that was conducted to find out if the type of employment has an impact on the Employee Happiness Index and Employee Performance. From the results shown in the table, it is clear that the majority of the employees in the organization, approximately 95%, are permanent employees. However, only a small percentage of employees, approximately 5%, are contractual employees. From the results shown in the table, it is clear that the mean value of happiness among employees in both types of employment is very close. It is clear that the value of the calculated p-value is larger than the significance value of 0.05. This implies that the difference in happiness between permanent employees and contractual employees is statistically insignificant. This implies that both permanent employees and contractual employees experience the same

level of happiness in the organization. It is, therefore, concluded that the type of employment does not affect Employee Happiness Index and Employee Performance. This implies that the null hypothesis (H_0) is accepted.

H0: There is no significant difference between the type of employment and the happiness index and performance of the employees.

H1: There is a significant difference between the type of employment and the happiness index and performance of the employees.

Result: Among the dimensions of Employee Happiness Index and performance, Work Discipline Shows a Significant association ($P<0.05$). Hence the null hypothesis (H_0) is rejected, and the alternative hypothesis (H_1) is accepted.

Table 5: One-Way ANOVA test based on the Work Shift of the respondents and with the overall Employee Happiness Index and Performance

| Variable | | Sum of Squares | Df | Mean Square | F | Statistical Inference |
|----------------------|----------------|----------------|----|-------------|-------|--|
| Work Relationships | Between Groups | 0.006 | 1 | 0.006 | 0.019 | Sig. =0.891 P>0.05 Not Significant |
| | Within Groups | 33.354 | 98 | 0.340 | | |
| Emotional Well-being | Between Groups | 0.026 | 1 | 0.026 | 0.021 | Sig. =0.885 P>0.05 Not Significant |
| | Within Groups | 121.414 | 98 | 1.239 | | |
| Work-Life Balance | Between Groups | 1.924 | 1 | 1.924 | 1.785 | Sig. =0.185 P>0.05 Not Significant |
| | Within Groups | 105.636 | 98 | 1.078 | | |
| Job Meaningfulness | Between Groups | 6.364 | 1 | 6.364 | 5.086 | Sig. =0.026 P<0.05 Significant |
| | Within Groups | 122.626 | 98 | 1.251 | | |
| Work Accuracy | Between Groups | 2.750 | 1 | 2.750 | 3.642 | Sig. =0.059 P<0.05 |
| | Within Groups | 74.000 | 98 | 0.755 | | |

| | | | | | Significant |
|----------------------------------|----------------|----------|----|--------|---|
| Task Efficiency | Between Groups | 10.735 | 1 | 10.735 | 4.951 Sig. =0.028 P<0.05 Significant |
| | Within Groups | 212.505 | 98 | 2.168 | |
| Team Collaboration | Between Groups | 0.074 | 1 | 0.074 | 0.110 Sig. =0.741 P>0.05 Not Significant |
| | Within Groups | 65.636 | 98 | 0.670 | |
| Work Discipline | Between Groups | 0.495 | 1 | 0.495 | 0.383 Sig. =0.537 P>0.05 Not Significant |
| | Within Groups | 126.505 | 98 | 1.291 | |
| Overall Employee Happiness Index | Between Groups | 34.568 | 1 | 34.568 | 1.995 Sig. =0.161 P>0.05 Not Significant |
| | Within Groups | 1698.182 | 98 | 17.328 | |

G1-Genreal Shift

G2-Rotational Shift

G3-Night Shift

The above table shows the results obtained from the One-Way ANOVA test, which is used to find out if work shift has an impact on the Employee Happiness Index and Employee Performance of the respondents. From the results, it is clear that the majority of the variables, such as work relationships ($F = 0.019$, $p = 0.891$), emotional well-being ($F = 0.021$, $p = 0.885$), work-life balance ($F = 1.785$, $p = 0.185$), team collaboration ($F = 0.110$, $p = 0.741$), and work discipline ($F = 0.383$, $p = 0.537$), are not significant at the 5% level since the value is higher than 0.05. This shows that more than half of the respondents, irrespective of their work shift, experience similar levels of workplace relationships, emotional well-being, and collaborative work culture. However, certain performance-related variables, such as job meaningfulness ($F = 5.086$, $p = 0.026$), work accuracy ($F = 3.642$, $p = 0.059$), and task efficiency ($F = 4.951$, $p = 0.028$), show comparatively higher F values, indicating that nearly one-third of the respondents working in different shifts might

perceive their job roles differently. Despite these changes in a few dimensions, the overall Employee Happiness Index ($F = 1.995$; $p = 0.161$) indicates that the level of significance is more than 0.05; therefore, almost two-thirds of the respondents are experiencing almost the same level of overall happiness and performance despite the work shift they are in. Thus, the null hypothesis that "there is no significant difference among work shift and the Employee Happiness Index and Performance" is accepted, and the alternative hypothesis is rejected.

H0: There is no significant difference among work shift and the happiness index and performance of the respondents.

H1: There is a significant difference among work shift and the happiness index and performance of the respondents.

Result: Since the calculated F value is not significant at 0.05, the null hypothesis is accepted, and the alternative hypothesis is rejected.

Table 6: Correlation between the years of work experience of the respondents and with the overall Employee Happiness Index and Performance

| Variable | Correlation Value | Statistical Inference |
|--|-------------------|---------------------------|
| Work Relationships | .086 | P>0.05 Not Significant |
| Emotional Well-being | .140 | P>0.05 Not Significant |
| Work-Life Balance | .052 | P>0.05 Not Significant |
| Job Meaningfulness | .018 | P<0.05 Significant |
| Work Accuracy | .032 | P<0.05 Significant |
| Task Efficiency | .099 | P>0.05 Not Significant |
| Team Collaboration | .174 | P>0.05 Not Significant |
| Work Discipline | .097 | P>0.05 Not Significant |
| Overall Employee Happiness Index and Performance | .143 | P>0.05 Not Significant |

** . Correlation is significant at the 0.01 level (2-tailed)

* . Correlation is significant at the 0.05 level (2-tailed)

The above table depicts the correlation analysis of years of work experience of respondents with overall Employee Happiness Index and Employee Performance. The findings reveal that nearly half of the respondents have moderate to high levels of work experience, which enables them to understand their roles and responsibilities at work. The

correlation coefficient reveals that there is a weak positive correlation between work experience and Employee Happiness Index, indicating that those who have high levels of work experience tend to exhibit moderate levels of workplace happiness. However, it is found that the relationship is not strong, indicating that more than one-third

of the respondents exhibit similar levels of workplace happiness irrespective of their years of work experience. This reveals that though experienced employees exhibit better adaptability and work efficiency, workplace happiness is also influenced by other workplace factors. Since the significance value is more than 0.05, the relationship between work experience and the Employee Happiness Index is statistically insignificant. Hence, the null hypothesis that there is no significant relationship between years of work experience and the Employee Happiness Index and Performance is

accepted, and the alternative hypothesis is rejected.

H₀: There is no significant relationship between work experience and the employee happiness index and performance of the respondents.

H₁: There is a significant relationship between work experience and the employee happiness index and performance of the respondents.

Result: The correlation value is not significant at the 0.05 level, so the null hypothesis (H₀) is accepted, and the alternative hypothesis (H₁) is rejected.

Table 7: Correlation between the monthly income of the respondents and with the overall Employee Happiness Index and Performance

| Variable | Correlation Value | Statistical Inference |
|--|-------------------|---------------------------|
| Work Relationships | .041 | P<0.05 Significant |
| Emotional Well-being | .044 | P<0.05 Significant |
| Work-Life Balance | .080 | P>0.05 Not Significant |
| Job Meaningfulness | .062 | P>0.05 Not Significant |
| Work Accuracy | .049 | P<0.05 Significant |
| Task Efficiency | .044 | P<0.05 Significant |
| Team Collaboration | .094 | P>0.05 Not Significant |
| Work Discipline | .100 | P>0.05 Not Significant |
| Overall Employee Happiness Index and Performance | .041 | P<0.05 Significant |

** . Correlation is significant at the 0.01 level (2-tailed)

* . Correlation is significant at the 0.05 level (2-tailed)

The above table shows the correlation analysis between the monthly income of the respondents and the overall Employee Happiness Index and Employee Performance. It has been observed that some dimensions of employee happiness and employee performance show a significant relationship with the monthly income of the employees. Specifically, the results show that dimensions such as work relationships, emotional well-being, work accuracy, and task efficiency have significant values at the 0.05 level. This shows that the employees who receive relatively higher monthly income show better work relationships, emotional stability, and work efficiency. It can be concluded that nearly half of the respondents who belong to relatively better income categories show higher levels of motivation and efficiency at the workplace. On the other hand, dimensions such as work-life balance, job meaningfulness, team collaboration, and work discipline show no significant relationship at the 0.05 level. This shows that more than one-third of the respondents show similar levels of work-life balance, job meaningfulness, team collaboration, and work discipline irrespective of the monthly income level. The overall Employee Happiness Index and Performance ($r = 0.041$) indicates that there is a significant positive relationship between the overall Employee Happiness Index and performance with monthly income, although the correlation is not very high. This indicates that although monthly income is an important factor in the happiness and performance of employees, other factors in the workplace environment are equally important. As the correlation value is significant at the 0.05 level, the null hypothesis is rejected, and the alternative hypothesis is accepted, indicating that there is indeed a significant

relationship between the monthly income of the respondents and their Employee Happiness Index and Performance.

H₀: There is no significant relationship between the monthly income and the employee happiness index and performance of the respondents.

H₁: There is a significant relationship between the monthly income and the employee happiness index and performance of the respondents.

Result: As the correlation value is significant, the null hypothesis is rejected, and the alternative hypothesis is accepted.

Major Findings

From the findings of this study, it is clear that almost half of the respondents (49%) belong to the age group of 40-49 years, indicating that the workforce is mostly comprised of experienced employees; 29% of respondents belong to the age group of 20-29 years, and 22% belong to the age group of 30-39 years. From the socio-demographic findings, it is clear that more than three-fourths of the respondents are female employees (78%), indicating the dominance of female workers in the apparel industry. With respect to educational qualifications, it is found that 40% of respondents have completed their SSLC, and 29% have completed their HSC, indicating that a majority of the workforce possesses basic educational qualifications and are employed as permanent workers with moderate levels of work experience. From the descriptive analysis, it is clear that employees are found to possess a moderate level of happiness in their workplaces. From the inferential statistical analysis, it is clear that most socio-demographic factors do not have a significant

difference in relation to the Employee Happiness Index, although some factors are found to be statistically significant in this regard. Furthermore, it is also clear from the correlation analysis that only a small relationship exists between demographic factors and employee happiness and performance; thus, employee happiness is found to be influenced by various factors in the work environment, such as work relationships, emotional well-being, and work-life balance. It is clear from this study that employee happiness plays a vital role in enhancing employee performance.

Suggestions

On the basis of the findings obtained from the study, it is suggested that organizations in the apparel industry should strive to create a favourable work environment that promotes happiness among employees. Organizations should encourage employees to maintain healthy relationships with each other, as well as promote communication and teamwork among employees to enhance workplace harmony. Organizations should also try to provide employees with programs that promote work-life balance, as these factors play an important role in creating happiness among employees. Organizations can provide training programs and welfare facilities to their employees to enhance their happiness and satisfaction at work. Moreover, the management should try to understand the perceptions of their employees regarding their happiness at work, as this will help them to implement appropriate strategies to enhance workplace happiness among employees.

Conclusion

The present study aims to investigate the concept of the Employee Happiness Index and its impact on the Employee Performance of employees working in the apparel industry. The findings of the present study reveal that the workforce is dominated by experienced employees. The findings also reveal that the female employees form a considerable percentage of the sample population. The findings of the present study reveal that employees demonstrate moderate levels of happiness in the workplace. The findings also reveal that work relationships, emotions, and work-life balance are important factors that influence employee performance. The findings of the present study reveal that most of the socio-demographic factors do not demonstrate significant differences in relation to the employee happiness index. However, the findings of the present study reveal that employee happiness is influenced by various factors at the workplace rather than demographic factors. Thus, organizations need to focus on creating a positive work environment to enhance employee happiness. By considering employee happiness as a key organizational objective, organizations can attain high productivity and organizational growth.

References

1. Abraham S. Factors influencing workplace happiness among employees in software companies in Bangalore. *Int J Res Appl Manag Sci Technol.* 2015;2(1):1-8.
2. Abraham S. Factors influencing workplace happiness among employees in software companies in Bangalore. *Int J Res Appl Manag Sci Technol.* 2015;2(1):1-8.
3. Asissiya CM, Fonceca CM. Sustainable HR Practices and Employee Wellbeing. *J Acad Ind Res.* 2023;13(2):11-17.
4. Awada NI, Ismail F. Happiness in the workplace. *Int J Innov Technol Explor Eng.* 2019;8(9):1496-1500.
5. Awada N, Johar SS, Binti Ismail F. The effect of employee happiness on performance of employees in public organization in United Arab Emirates. *J Adm Bus Stud.* 2019;5(5):260-268.
6. Al-Ali W, Ameen A, Isaac O, Khalifa GS, Shibami AH. The mediating effect of job happiness on the relationship between job satisfaction and employee performance and turnover intentions: A case study on the oil and gas industry in the United Arab Emirates. *J Bus Retail Manag Res.* 2019;13(4).
7. Ajay EA, Anandan CC. Employee relations and its effect on organizational performance: An empirical study. 2023.
8. Bhattacharjee D, Bhattacharjee M. Measuring happiness at work place. *ASBM J Manag.* 2010;3(1/2):112.
9. Bhatia A, Mohsin F. Comprehensive literature review on workplace happiness linked to employee outcomes. *Test Eng Manag.* 2020 May-Jun;83:29266-29279.
10. Bellet CS, De Neve JE, Ward G. Does employee happiness have an impact on productivity? *Manag Sci.* 2024;70(3):1656-1679.
11. Chaiprasit K, Santidhiraku O. Happiness at work of employees in small and medium-sized enterprises, Thailand. *Procedia Soc Behav Sci.* 2011;25:189-200.
12. De Neve JE, Ward G. Why workplace wellbeing matters: The science behind employee happiness and organizational performance. Boston: Harvard Business Press; 2025.
13. Fisher CD. Happiness at work. *Int J Manag Rev.* 2010;12(4):384-412.
14. Jarden A, Jarden R. Positive psychological assessment for the workplace. In: *The Wiley Blackwell handbook of the psychology of positivity and strengths-based approaches at work.* [Place]: Wiley Blackwell; 2016. p. 415-437.
15. Joo BK, Lee I. Workplace happiness: work engagement, career satisfaction, and subjective well-being. *Evid Based HRM.* 2017;5(2):206-221.
16. Jeba Kanmani O, Fonceca CM. Employee happiness index and its impact on employee performance. *Int J Multidiscip Res Growth Eval.* 2023;4(2):360-364.
17. Kern CD, Ko K. Exploring Happiness and Performance At Work. *Leadersh Organ Manag J.* 2009;(3).
18. Kumari N, Rachna M. Job Satisfaction of the Employees at the Workplace. *Eur J Bus Manag.* 2011;3(4):11-30.
19. Kosasih A, Basit A. Happiness at workplace: Job satisfaction and organizational support. In: *Proceeding: International Conference on Business, Education, Innovation & Social Sciences ICBEISS; 2019 Jun.* p. 117-126.
20. Katsaros KK. Gen Z employee adaptive performance: The role of inclusive leadership and workplace happiness. *Adm Sci.* 2024;14(8):163.
21. Mishra S, Singh S, Tripathy P. Linkage between employee satisfaction and employee performance: A case in banking industry. *Glob Bus Rev.* 2025;26(1):137-148.
22. Mazzetti G, Guglielmi D, Chiesa R, Mariani MG. Happy employees in a resourceful workplace: just a direct relationship? A study on the mediational role of psychological capital. *Career Dev Int.* 2016;21(7):682-696.

23. Nierenberg B, Alexakis G, Preziosi RC, O'Neill C. Workplace happiness: An empirical study on well-being and its relationship with organizational culture, leadership, and job satisfaction. *Int Leadersh J*. 2017;9(3):2-23.
24. Rao GV, Vijayalakshmi D, Goswami R. A study on factors of workplace happiness. *Asian J Manag*. 2018;9(1):251-260.
25. Rizqi AH, Qamari IN. The influence analysis of organizational climate and work-life balance on employee performance through happiness at work as mediation variable. *J Manag Islam Finance*. 2022;2(2):153-170.
26. Sovbetov I, Kaplan M. Does employee happiness create value for firm performance? *Humanit Soc Sci Commun*. 2025;12.
27. Sanjay A, Fonceca CM. Employee Happiness Index: A Study of School Teachers in a Private Institution. SSRN. 2025. Available from: <https://ssrn.com/abstract=5190937>.
28. Thevanes N, Jathurika M. Employee happiness and its relationship with job satisfaction: An empirical study of academic staff in a selected Sri Lankan University. *Asian J Soc Sci Manag Technol*. 2021;3(1):34-43.
29. Van De Voorde K, Paauwe J, Van Veldhoven M. Employee well-being and the HRM-organizational performance relationship: a review of quantitative studies. *Int J Manag Rev*. 2012;14(4):391-407.

How to Cite This Article

Nithish S, Fonceca CM. Employee happiness index and its influence on employee performance: A study in an apparel industry. *International Journal of Management and Organizational Research*. 2026;5(2):48–56. doi:10.54660/IJMOR.2026.5.2.48-56.

Creative Commons (CC) License

This is an open access journal, and articles are distributed under the terms of the Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International (CC BY-NC-SA 4.0) License, which allows others to remix, tweak, and build upon the work non-commercially, as long as appropriate credit is given and the new creations are licensed under the identical terms.