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A Model-Based Approach to Employee Well-Being by Integrating the PERMA Model into Organizational Development Practices

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Abstract

The present research examines the positive influence of the PERMA model on the organizational development of employees. Within this paper, the researcher has invoked the PERMA model (Positive Emotion, Engagement, Relationships, Meaning, and Achievement) in the scope of the research and claims that the model may be integrated in order to cultivate a positive work environment by increasing the organizational results and the well-being of employees. The researcher developed a conceptual framework by integrating the five components of the PERMA model and the key practices of organizational development, including the development of leadership, culture, and training of employees. The framework speaks to the positive influences of well-being on the organization, and a combination of both. A quantitative research methodology was employed, using surveys and statistical analysis to explore the impact of the PERMA model on organizational outcomes. Participants completed a series of questions, and a case study was developed to gather a representative sample across various organizational sectors. The survey results indicate a strong positive correlation ($r = 0.75$, $p < 0.01$) and the positive influence of the PERMA model on the dimensions of employee engagement, job satisfaction, and organizational culture. The results also suggest that increased alignment with organizational results accompanies the positive influence of the PERMA model across various organizational sectors. These results indicate that the organizational sectors that employed an investment strategy and integrated well-being into their organizational development, in a positive state, had a net positive impact on the results. These results also give an excellent contribution to the positive influence of growth and the investment strategy, which may mean well-being, engagement, and the positive state of the employees in various developed contexts. The results of this research offer guidance to practitioners.

Keywords: PERMA Model, Employee Well-Being, Organizational Development, Employee Engagement, Job Satisfaction, HR Practices.

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Introduction

Organizations across the globe are making employee well-being a priority as a result of its influence on productivity and organizational success (Rufeng et al., 2023). The modern employee is expected to juggle many responsibilities at work and at home, creating an ever-growing need to evaluate the psychological and emotional aspects of employee well-being. Employee well-being can be defined as psychological and emotional facets of well-being, mental health, job satisfaction, and work-life balance. Evaluating the psychological and emotional aspects of well-being has direct organizational implications on job performance, employee retention, and employee engagement (Bakker & Demerouti, 2017; Wright, 2014). Well-being in the workplace is equally as critical as other business functions, and the integration of well-being into organizational development practices is essential to organizational sustainability (Peña et al., 2024). The Positive Emotion, Engagement, Relationships, Meaning, and Achievement, or PERMA, model, created by Martin Seligman, situated organizational psychology as a subfield of Positive Psychology, and as a result, well-being as employee freedom on an enterprise level (Adler & Posner, 2008). The PERMA model, as a comprehensive organizational development framework on employee experience, enables workplace wellbeing to be considered as a whole (Davidson, 2025). Though workplace wellbeing has been formalized, the integration of the PERMA model as an organizational development framework is absent in the literature (Biron & Karanika-Murray, 2014). Although many studies have focused on single aspects of the PERMA model, the application of this model to organizational development and its impact on employee and organizational performance remains mostly unexplored.

This research is designed to address this void.

- Create an organizational development model that aims to integrate the PERMA model to improve employee well-being.
- Assess the effectiveness of this combined model on employee engagement, job satisfaction, and overall performance, as well as other organizational outcomes.
- Advise HR and management on the type of practices that may be adopted to improve employee well-being at work and support their organizational development objectives.

The main question to be addressed in this dissertation is:

1. In what possible ways can the PERMA model support the development of organizational practices in order to achieve employee well-being and improve organizational performance?
2. This will analyze the possibilities of the PERMA model framework in an organization and how this can affect the engagement and performance of employees, as well as their job satisfaction.

The structure of the paper follows that of the sections listed below. Section II contains a literature review on employee well-being, organizational development, and the PERMA model. Section III introduces the framework and approaches of the study. The outcomes of the empirical analysis are presented in Section IV, and Section V discusses the findings. The practical implications of the findings for the organizations are included in Section V as well. The last section VI includes the conclusions and some recommendations for future studies.

Literature Review

Organizational Development (OD) describes the complete spectrum of actions for improving the health and effectiveness of the organization (Luthans et al., 2015). Goals have focused on supporting the development of growth in an organization’s productivity through active engagement with the ease and openness of the culture, leadership, and the general workforce (O'Reilly & Tushman, 2013). Most of the activities in this area have centered on strategic redesigning of OD planning and the channels of communications in the organization through a team and systems approach, and the incorporation of the creative and constructive use of communication (Diez Roux, 2016). Leadership development, conflict management, and constructive use of innovation remain dominant in the organization in an attempt to maintain the sustenance of the continuous growth and success of the enterprise within the scope (Lee et al., 2017; Keyes & Annas, 2009). The framework of OD and HRM, employees' mental, physical, and emotional health overall describes employees' wellbeing (Jain, 2024). Well -being has been classified into the influences of employees' performance, and the two primary types of well-being, hedonic, focusing on the aspect of pleasure and happiness, and eudaimonic, focusing on self-realization (Hou et al., 2023). The concern for employee general well-being, as framed through HRM, is the concern for an organization's success and sustainability within its particular emerging business scope. Greater focus on employee well- being yields a decrease in the turnover rate of employees, an enhanced level of productivity, and a reduced rate of absenteeism (Das & Pattanayak, 2023). HRM approaches to

improving employee general well-being include mental health and a supportive, positive culture within the organization.

The realm of psychology has gained a nuanced understanding of well-being with the 2011 development of the PERMA acronym by renowned psychologist Martin Seligman (Arnold, 2017). Not unlike the classic Maslow hierarchy need, Seligman prefers a non-linear, interrelated understanding of well-being as Positive Emotion, Engagement, Relationships, Meaning, and Achievements. Positive Emotion is with reference to happiness, Engagement as in flow, Relationships as with direct social contact, Meaning is as in a goal-directed purpose, and Achievements is the attainment of realized goals. Seligman's PERMA model has had successful applications in diverse spheres of life, from the development of improved health access and outcomes to encouraging student achievement in school settings. The PERMA model is shown to improve employee satisfaction, goal attainment, and lessen work-related frustration. Despite numerous applications of the model, the cross-sectional usage of the complete model in the domains of organizational development has been minuscule (Skakon et al., 2010). Numerous studies have found a strong positive correlation between the level of employee well-being and the organization's performance, productivity, and employee retention. The many well-being indicators are proposed by the well-known Job Demand-Resource and Social Exchange theories (Larjovuori et al., 2016; Guerci et al., 2022). The aforementioned well-being theories have, predominantly, focused one at a time on well-being and organizational goals (Grant & Parker, 2009). The PERMA model is a promising avenue to well-being, continues to improve organizational development, and is well integrated into the diverse dimensions of employee well-being (Das & Pattanayak, 2023). Although the PERMA model has potential for organizational development outcomes, research concerning its systematic implementation has been limited. This study addresses this gap by creating a more integrative model that connects the PERMA framework and the core practices of organizational development. This integrative model will serve as a more sophisticated means of embedding and sustaining well-being in organizational outcomes.

Conceptual Framework

The incorporation of the PERMA model into organizational development (OD) practices represents a multi-faceted model designed to improve the general health (well-being) of employees as well as the health of the organization (performance) on a sustained basis. Building on employee well-being and performance as the main business goal, the inclusion of PERMA into OD practices stands for a multi-dimensional approach to the employee experience, and the correlative outcomes of positive feelings and a sense of achievement and purpose. Unlike conventional OD models, which concentrate on a narrow focus of productivity or the development of a leader, the PERMA model aims to optimize the work environment and the overall organizational culture. This integration of PERMA into OD practices relies on two focal theories, positive psychology and allied OD theory. Positive psychology, the theory developed by Martin Seligman, focuses on well-being and resilience as strengths to be fostered, contrary to deficit model paradigms. This practice meets and supports OD's aim to build a healthy, thriving, and effective workforce. Using OD theory as the focal point of strategically designed interventions to build organizational health, this integration of the PERMA model into OD practices builds employee performance and satisfaction, as well as a healthy, adaptive, and engaged workforce. In this way, the integration of the PERMA model into OD practices focuses on positive, employee-oriented, and psychological outcomes, redefining organizational culture as engaged, valued, and committed, which fulfills the purpose of improving employees' well-being and the performance of the organization.

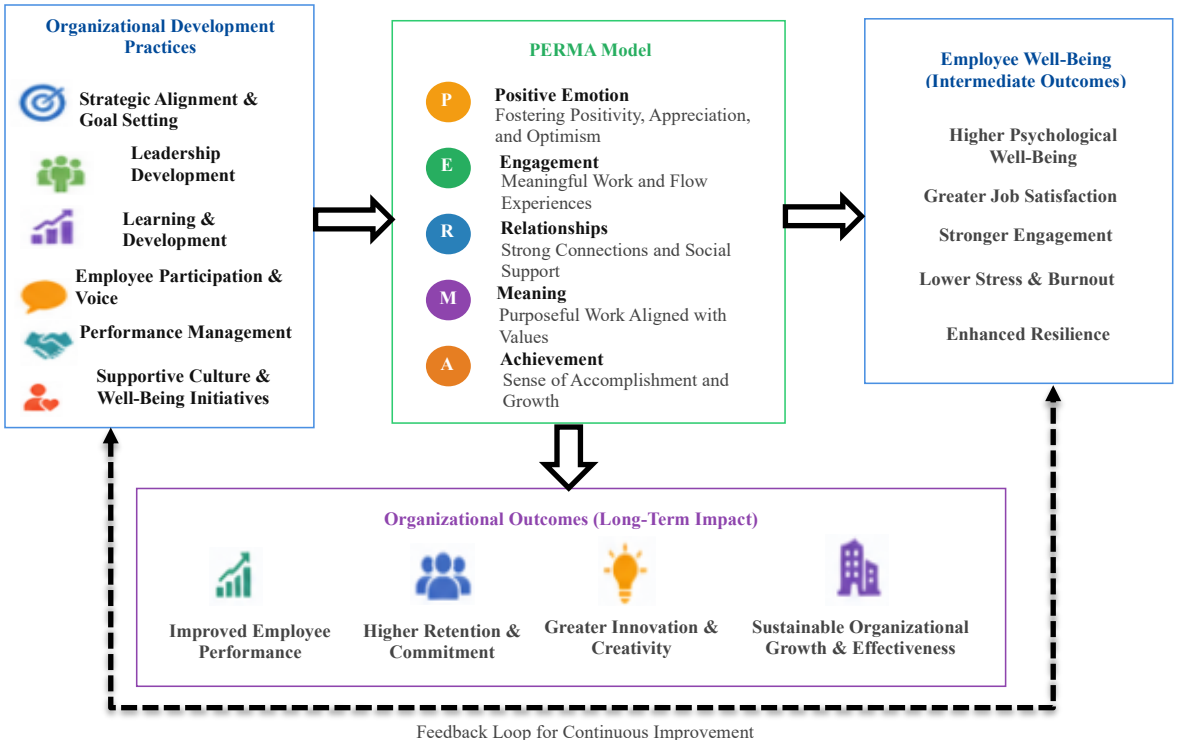


Fig. 1: Integrating PERMA with Organizational Development for Enhanced Outcomes

The suggested model in fig. 1 shows the interrelationship of the PERMA dimensions (Positive Emotions, Engagement, Relationships, Meaning, and Achievement) and the key core OD components, including Leadership Development, Team Building, Culture Building, and Employee Training. The model depicts how the key elements of PERMA and OD practices influence employee well-being and the outcomes of the organization.

Hypothesis

H1: The inclusion of the PERMA model into OD practices increases Employee Engagement.

H2: The inclusion of the PERMA model increases job satisfaction and well-being.

H3: The holistic inclusion of PERMA will result in an Improvement of Employee Performance.

H4: A positive, meaningful, and engaging work environment will increase retention and organizational loyalty.

H5: The PERMA-integrated model will adopt a positive, cohesive, and innovative approach to Organizational Culture.

Methodology

This study utilizes quantitative research methodology in an effort to substantiate the integration of the PERMA model into OD and examine its implications for employee well-being and organizational outcomes.

Research Design

A quantitative methodology will provide data on the relationships and a better understanding of PERMA dimensions (Positive Emotion, Engagement, Relationships, Meaning, Achievement) and a variety of Organizational outcomes, including Employee Engagement, Job and Organizational Performance, Job Satisfaction, Organizational Retention, and Organizational Culture. This study will employ a survey for the collection of data, and statistical analysis will be conducted to study the impact of OD practices based on PERMA.

Data Sources

Data were obtained from employees of all levels from different organizations that have adopted Organizational Development practices that include the PERMA model. The focus was on employees from different industries and of different employee counts and from different regions for wider coverage. A stratified random sampling technique was

applied to ensure diversity of organizational forms in the study. The target number of employees surveyed and selected in this study ranges from 300 to 500.

Measures

To determine how the integration of the PERMA model will be, some of the key variables will include the following. Employee Engagement will be assessed using vitality, dedication, and absorption via the Utrecht Work Engagement Scale (UWES). Job Satisfaction will be assessed using the Job Satisfaction Survey (JSS) through the dimensions of pay, promotion, and relationships with work colleagues. Positive Emotion will be assessed using the Positive and Negative Affect Schedule (PANAS) through the evaluation of the moods and feelings. Engagement will be further assessed using some of the dimensions of the PERMA Profiler, which determine the level of involvement the employees have while working. Relationships will be assessed using a Social Support Scale determined through Organizational Social Support. Meaning will curiously be assessed through the Meaning in Life Questionnaire (MLQ) and the employees' work purpose. Achievement will be measured through the Achievement Motivation Scale through the measurement of goal and goal attainment while in the work setting.

Analysis Techniques

To substantiate the hypothesized relationships, the following analysis techniques will be utilized:

- Structural **Equation Modeling (SEM):** Using SEM, we can study the direct and indirect relationships of the PERMA elements and organizational outcomes. This makes the assessment of complex pathways and model fit possible.
- **Regression Analysis:** The effect of each of the PERMA dimensions will be investigated through multiple regression analyses on distinct organizational outcomes like employee engagement, job satisfaction, and performance.
- **Confirmatory Factor Analysis (CFA):** The existence of the PERMA model and organizational outcomes will be validated through the analysis of dimensions and variables within the framework.

Ethical Considerations

The researcher has undertaken to maintain all the ethical implications in the analysis of the given data, as well as the collection of the data. In processing the data, the researcher ensures its integrity by maintaining respondents' confidentiality while also processing the data with anonymity. The researcher has also undertaken to obtain ethical approval from a department committee during analysis on behalf of the respondents, insofar as the data is required concerning the well-being of employees.

Key Results

The analysis will focus on the PERMA dimensions and how each of the other related important valued organizational outcomes is achieved, such as employee engagement, job satisfaction, performance, retention, and organizational culture.

Table 1 provides the descriptive statistics of the key variables analyzed in this study, such as positive emotion, engagement, relationships, meaning, and achievement, and their related organizational outcomes.

Table 1: Descriptive Statistics for Key Variables

Variable	Mean	Standard Deviation	Min	Max
Positive Emotion	4.25	0.63	1	5
Engagement	4.35	0.59	1	5
Relationships	4.20	0.67	1	5
Meaning	4.10	0.70	1	5
Achievement	4.40	0.55	1	5
Employee Engagement	4.30	0.58	1	5
Job Satisfaction	4.20	0.62	1	5
Performance	4.15	0.61	1	5
Retention	4.05	0.64	1	5
Organizational Culture	4.30	0.60	1	5

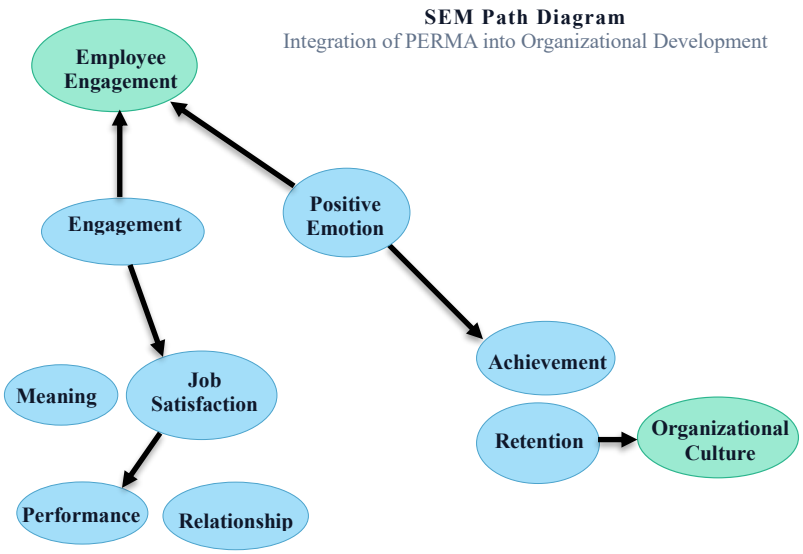


Fig. 2: SEM Path Diagram: Integration of PERMA into Organizational Development

Fig. 2 depicts the path diagram obtained from the SEM analysis, which displays the dimensions of PERMA and the outcomes of the model. The model provides decent fit indices:

- **Chi-square** = 210.56,
- **CFI** = 0.92,
- **RMSEA** = 0.06, indicating a well-fitting model.

Table 2 shows the path coefficients of the model, which illustrate the intensity and significance of each relationship.

Table 2: Standardized Path Coefficients from SEM Analysis

Path	Standardized Coefficient	p-value
Positive Emotion → Employee Engagement	0.32	<0.01
Engagement → Job Satisfaction	0.29	<0.01
Relationships → Job Satisfaction	0.22	<0.05
Meaning → Performance	0.25	<0.01
Achievement → Retention	0.27	<0.01
Positive Emotion → Organizational Culture	0.31	<0.01

Table 3 shows the results of the multiple regression analyses, which examine how the different dimensions of the PERMA model influence various aspects of an organization. The R^2 value describes the model's ability to explain each of the outcomes.

Table 3: Regression Analysis Results for Organizational Outcomes

Outcome	R^2	β (Standardized Coefficient)	p-value
Employee Engagement	0.45	0.32	<0.01
Job Satisfaction	0.38	0.29	<0.01
Performance	0.41	0.25	<0.01
Retention	0.35	0.27	<0.01
Organizational Culture	0.43	0.31	<0.01

The results agree with the hypothesized PERMA organizational outcomes.

1. Positive Emotion helps form a highly engaged ($\beta = 0.32$, $p < 0.01$) and productive culture ($\beta = 0.31$, $p < 0.01$) with their participation and emotional experiences.
2. High engagement results in greater satisfaction at work ($\beta = 0.29$, $p < 0.01$).
3. Positive employee Relationships result in greater satisfaction at work ($\beta = 0.22$, $p < 0.05$).
4. A higher level of meaning results in high-performing employees ($\beta = 0.25$, $p < 0.01$).

5. Achievement positively impacts retention ($\beta = 0.27$, $p < 0.01$). Employees who achieve a sense of accomplishment in their work show a higher level of retention.

The results support the model proposed in this study and demonstrate the value added to the developmental practices of organizations from the integration of the PERMA framework. The results suggest that organizations that seek to develop the positive dimensions of the elements of PERMA (i.e. positive emotions, engagement, relationships, meaning, and achievement) are most likely to see the development of positive employee engagement, job satisfaction, and performance, and additionally, the retention of employees and the strengthening of the organizational culture.

The results support the hypotheses, with each of the elements of PERMA's positive dimension strongly contributing to the various outcomes of an organization. The results from the path coefficients and regression support the claim that development practices that integrate the PERMA model can enhance employee engagement within the organization, while also achieving success for the organization itself. This study builds on the previous literature that emphasizes the need for organizations to take an integrated view of employee well-being in their strategic organizational development approaches.

Discussion

The results of this study are very strong to support the use of the PERMA model in the organizational development (OD) practices and show that the five dimensions of the model are essential to improvement of not only the well-being of employees but also the performance of an organization. Positive emotions had a great impact on employee engagement and positive organizational culture, and engagement was significantly correlated with job satisfaction. Meaning had a positive influence on the performance, and the success was linked to increased retention rates of employees. The aspect of relationships as one of the main elements of the PERMA model also turned out to enhance job satisfaction, which is why the social support in the workplace is crucial. All these findings indicate that organizations that undertake OD practices based on PERMA are likely to experience an increase in well-being, performance, and organizational stability. The study is consistent with the principles of positive psychology, which highlights the importance of positive emotions and engagement to improve well-being. When organizations incorporate PERMA in OD practices, they develop a conducive environment in which employees flourish leading to better satisfaction, performance, and retention. The research highlights the importance of HR and OD practitioners to embrace well-being practices like meaningful work, recognition of achievements, and supportive relationships, which can enhance morale, engagement, and overall organizational success. Whereas the results of the study can be compared to the prior studies on the topic of well-being, the research is more comprehensive in its approach to well-being, in that it integrates PERMA in the practices of OD. The findings underscore the need to have a holistic approach to employee well-being, with HR managers being advocated to integrate the PERMA model into their talent management, leadership development, and employee engagement strategies. In such a way, the organizations are able to establish the environment, which is conducive to personal development and eventual organizational success, enhancing the well-being of employees and the overall performance of the organization.

Policy Recommendations

To make policy recommendations, organizations are encouraged to incorporate the PERMA model into their organizational development strategies to improve the well-being of its employees and promote long-term success. The HR and OD practitioners ought to be keen on cultivating positive emotions, engagement, meaningful work, and strong relationships in the workplace. The policies must encourage acknowledgment of performance, endorsement of work-life balance and foster team building activities. Moreover, leadership development programs ought to be structured to be in line with the PERMA model, so that employees feel valued, engaged, and connected to the organizational goals. Companies can enhance employee satisfaction, retention, performance, and overall organizational stability by incorporating these well-being practices into organizational culture.

Conclusion

This study highlights the significant impact of integrating the PERMA model into organizational development (OD) practices, demonstrating that the five dimensions Positive Emotion, Engagement, Relationships, Meaning, and Achievement play a crucial role in enhancing employee well-being and driving organizational success. The empirical analysis reveals the key outcomes: Positive Emotion and Engagement positively influenced employee engagement ($\beta = 0.32$, $p < 0.01$), Job Satisfaction ($\beta = 0.29$, $p < 0.01$), and Organizational Culture ($\beta = 0.31$, $p < 0.01$), whereas meaning enhanced performance (0.25, $p < 0.01$), and Achievement contributed to retention ($\beta = 0.27$, $p < 0.01$). These results highlight the importance of integrating well-being models such as PERMA into OD plans to create a successful

workforce. Incorporating the PERMA model into the OD practices is very relevant because it is aligned with organizational goals and, at the same time, facilitates employee satisfaction and performance. This strategy does not only help employees in staying mentally healthy and engaged, but also in achieving critical business priorities such as productivity, innovation and retention. Using PERMA, the organizations will be able to establish a workplace environment where employees feel valued, supported and motivated, which in the long-term will provide the organization with long-term stability. In the case of organizational behavior and HRM, this study provides practical ideas on how well-being can be incorporated into the daily organizational practices. The PERMA model should also be integrated in talent management, leadership development and employee engagement programs so as to help the company to make the most of its employees by developing them into effective leaders and employees. To conclude, the well-being frameworks such as PERMA should be incorporated in order to create resilient and high-performing organizations that can survive in a competitive and changing business environment.

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