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WELL-BEING AS A LEVER FOR COMPETITIVENESS: EMPLOYEE NEEDS AND ORGANISATIONAL INNOVATION – A CASE STUDY

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Purpose: The aim of this paper is to integrate two usually separate lenses – enterprise competitiveness and employee well-being – into one analytical framework. Competitiveness is operationalized through specific organizational innovations classified according to the Oslo Manual (2018), while well-being is conceptualized using Martin Seligman's (2011) PERMA model and empirically grounded in employees' stated needs. The theoretical foundations are drawn from positive psychology and strategic human resource management.
Design/methodology/approach: An anonymous PERMA-based online survey (April 2025) yielded 49 usable replies from 139 invited office employees. The instrument combined 10-point Likert items with open-ended questions. Descriptive statistics, inter-item correlations and Cronbach's alpha ($\alpha = 0.91$) confirmed internal consistency. The analysis identified which PERMA dimensions required the greatest support and, on that basis, matched the revealed needs with organisational-innovation. The resulting set of innovations is intended to address the priority well-being gaps while simultaneously enhancing the firm's competitive advantage.
Findings: The study shows that employees rate sense of purpose and awareness of personal strengths highest (mean = 7.9 on a 1-10 scale). The lowest scores concern the ability to engage co-workers (6.5) and regulation of negative emotions (6.7). Fully 96 % of respondents believe that raising well-being will directly enhance the firm's competitiveness. Open-ended comments most often mention the need for better stress-management techniques, practical opportunities to use talents and a more systematic, goal-oriented work style. These gaps were mapped onto the four organisational-innovation types defined in the Oslo Manual (2018): workplace organisation, business practices, external relations, knowledge management.
Research limitations/implications: The study is confined to a single organisation, relies on one-time data collection and uses employee self-assessment measures. Triangulation with complementary data sources is therefore advisable. Future work should adopt longitudinal designs and hard performance indicators to track post-implementation effects of the proposed innovations.
Practical implications: The recommended innovations are expected to boost employee engagement, retention and creativity, thereby improving process efficiency and strengthening the company's employer brand.
Social implications: Fostering a well-being culture may translate into healthier lifestyle habits among employees and reinforce the organisation's social-responsibility profile.

Originality/value: By linking PERMA-based diagnosis with the Oslo Manual taxonomy of organisational innovation, the paper offers a practical toolkit for strategically leveraging employee well-being to enhance competitive advantage.
Keywords: employee well-being; organisational innovation; corporate competitiveness; PERMA; Oslo Manual 2018.
Category of the paper: Research paper, Case study.

1. Introduction

The World Health Organization defines health as "a state of complete physical, mental and social well-being" (WHO, 1948). In positive psychology, well-being is most often described by Seligman's PERMA model, which comprises Positive Emotion, Engagement, Relationships, Meaning and Accomplishment (Seligman, 2011).

Research on perceived organisational support suggested that managerial well-being is shaped by both "structural resources" (clear rules, access to tools) and "psychological resources" (respect and recognition) (Stańczyk, Beck Krala, 2023). Subsequent studies have widened the lens to encompass employees at all levels. Jarosik-Michalak, Olkowicz and Kozłowski (2024) show that when organisations acknowledge the "physical, psychological and social needs" of staff, well-being programmes become embedded in corporate culture rather than remaining isolated perks. Case-study evidence from the COVID-19 period confirms the trend: many firms introduced mental-health, activity and relationship-building initiatives, yet rarely attached measurable KPIs to assess impact (Molek-Winiarska, Mikołajczyk, 2022).

A robust positive link between well-being and performance is now well established. A meta-analysis of 84 studies demonstrated that resources at individual, team and organisational levels simultaneously lift well-being and effectiveness (Nielsen et al., 2017). Large-scale work - covering more than 1700 US public firms - found that companies with higher average employee well-being also exhibit superior profitability and market valuation (De Neve, Kaats, Ward, 2024). Likewise, a synthetic review of 33 studies across 26 countries showed that happier employees are less absent, less likely to quit and sustainably more productive (Fang, Veenhoven, 2023).

In Poland, HR professionals already view well-being as a prerequisite for long-term competitiveness, although practices remain largely reactive (Beck-Krala, 2022). Needs-assessment research among 234 employees further indicates that satisfying basic physical, mental and social needs boosts engagement, which "may translate into organisational competitiveness" (Jarosik-Michalak et al., 2024). Together, these domestic findings underscore a growing strategic awareness of well-being, while also highlighting gaps in comprehensive metrics and their linkage to hard performance indicators. The present study responds to that call by mapping PERMA-based needs onto the Oslo Manual taxonomy of organisational innovation, thereby integrating well-being promotion with a competitiveness agenda.

2. Methods

An online questionnaire based on the five PERMA components - Positive Emotion, Engagement, Relationships, Meaning, and Accomplishment—was administered in April 2025 to office employees of a selected company. Full anonymity was guaranteed. Forty-nine usable surveys were analysed out of 139 invitations (10-point scale; closed and open items). Descriptive statistics, inter-item correlations, and Cronbach's alpha ($\alpha = 0.91$) confirmed the tool's reliability. The results pinpointed the PERMA dimensions most in need of support; these needs were then matched to organisational-innovation categories defined in the Oslo Manual (2018), generating proposals that address the priority well-being gaps while strengthening the firm's competitive advantage.

3. Results

3.1. Results of survey research

The survey (n = 49) measured the intensity of each well-being pillar and identified employees' needs. The Table 1 below summarises the quantitative scores (1-10 scale) alongside the key themes that emerged from the open-ended responses.

The survey results delineate a profile of employee well-being across the PERMA dimensions (as shown in Table 1). Within Positive Emotion, respondents reported a favourable overall affective balance (M = 7.41), yet a lower capacity for emotion regulation (M = 6.73). Correspondingly, they expressed a need for formal emotion-regulation training and a workplace climate characterised by trust and calm. In Engagement, awareness of personal strengths was high (M = 7.88), but their practical utilisation lagged (M = 7.45). Employees therefore requested assignments aligned with their talents, mentoring schemes and feedback mechanisms that nurture initiative. The Relationships pillar yielded a satisfactory mean score (M = 7.31); nonetheless, qualitative data underscored demands for enhanced assertiveness, self-presentation and constructive dialogue skills. Meaning registered the highest quantitative level (M = 7.90), although participants sought greater allocation of time to purpose-laden tasks and clearer articulation of long-term goals. Finally, Accomplishment displayed moderately elevated averages for lifetime achievements (M = 7.10) and goal attainment (M = 7.37), but revealed a conspicuous shortfall in the ability to mobilise peers toward collective objectives (M = 6.53). Respondents called for structured training in goal-setting and systematic work practices, supplemented by trust-based, supportive leadership.

These empirical gaps constitute a rationale for targeted organisational interventions, including emotion-regulation programmes, strength-based job design and integrated feedback-and-goal-setting systems aimed at translating individual well-being into sustained competitive advantage.

Table 1.
Results of survey research in the enterprise

PERMA pillar	Results of survey research	
	Quantitative score*	**Needs expressed by respondents**
Positive Emotion	*M* = 7.41 (overall balance of emotions) *M* = 6.73 (coping with negative emotions)	Desire to learn emotion-regulation strategies; calls for a trusting climate, calm atmosphere, and greater understanding from colleagues and supervisors.
Engagement	*M* = 7.88 (knowledge of personal strengths) *M* = 7.45 (use of personal strengths)	Requests for opportunities to apply talents, mentoring and coaching, a supportive environment, and constructive feedback that fosters courage and initiative.
Relationships	*M* = 7.31 (size and quality of support network)	Need to strengthen assertiveness, self-presentation, and constructive dialogue; interest in techniques for protecting one's own emotions during interactions.
Meaning	*M* = 7.90 (sense that work is meaningful)	Requests for more time on tasks perceived as significant, clarity of long-term purpose, and opportunities to "live in the present moment."
Accomplishment	*M* = 7.10 (lifetime achievements) *M* = 7.37 (goal attainment) *M* = 6.53 (ability to engage others in joint goals)	Frequent appeals for training in goal-setting and systematic work, stronger leadership support, trust, and encouragement; emphasis on learning how to motivate and mobilise co-workers.

*Means calculated on the sample of 49 respondents (1 = "strongly disagree", 10 = "strongly agree"). Differences across pillars are statistically significant (paired Wilcoxon test, $p < 0.05$); the lowest quantitative scores concern the ability to engage others and to regulate negative emotions.

Source: authors' compilation based on an anonymous survey of 49 employees.

The highest response frequencies cluster around five critical competency gaps (as shown in Table 2). In the Positive Emotion domain, the prevailing need is to develop emotion-regulation skills (n = 44), unequivocally identifying this deficit as the primary target for intervention. For Engagement, the key requirement is the opportunity to apply one's strengths in everyday work (n = 42), indicating substantial untapped talent potential. Within Relationships, the most frequent request concerns enhanced assertiveness (n = 35), complemented by a need for constructive-dialogue skills (n = 23). In the Meaning dimension, employees chiefly seek a greater share of highly significant tasks (n = 39), suggesting the need to adjust work-time allocation. Finally, Accomplishment calls predominantly for training in goal-setting and attainment (n = 38) and for cultivating systematic work habits (n = 19). Taken together, the quantitative data make it clear that emotion regulation, strength utilisation, and goal-related competencies represent the most pressing developmental priorities and should therefore dictate the sequence of planned interventions.

Table 2.
Employee Needs by PERMA Pillar – Frequency of Mentions

PERMA pillar	Employees' needs – number of mentions (n)
Positive Emotion	- Emotion-regulation skills (n = 44) - Calm mindset / ability to "push bad thoughts aside" (n = 3) - Trust-based, supportive climate (n = 2)
Engagement	- Opportunities to use personal strengths in daily work (n = 42) - Mentoring / performance feedback that shows "how I am doing" (n = 2) - Courage and self-confidence boosters (n = 2) - More generally supportive work setting (n = 2)
Relationships	- Greater assertiveness and ability to protect one's emotions (n = 35) - Skill in constructive conversation / self-presentation (n = 23) - Broader network of contacts and tools to diagnose relationship quality (n = 15) - No additional relational needs declared (n = 3)
Meaning	- More time for personally meaningful tasks (n = 39) - Clarification of a long-term life purpose (n = 1)
Accomplishment	- Training in goal-setting and attainment strategies (n = 38) - Greater systematic work / discipline (n = 19) - Leadership support and trust that encourage achievement (n = 9) - Boosting courage & self-confidence (n = 1)

Source: authors' compilation based on an anonymous survey of 49 employees (April 2025).

3.2. Mapping Employee Needs

The survey results reveal that the most salient employee gaps—emotion regulation, strengths utilisation, assertiveness, time for meaningful work and systematic goal attainment—align with the four organisational-innovation categories defined in the Oslo Manual (2018) and indicated with an example description in Table 3. The table exemplifies how employee well-being gaps can be reframed as "organisational innovations" in the sense defined by the Oslo Manual (OECD/Eurostat, 2018), i.e. "new or significantly improved business practices, workplace organisation, external relations or knowledge-management routines".

Referring to Table 3, it is worth noting:

- 'External-relations innovation' (mindfulness partnerships) combined with 'workplace-organisation innovation' (five-minute well-being micro-breaks) addresses the 44 mentions of emotion-regulation needs, blending specialised external expertise with daily work routines.
- For the 42 references to deploying personal talents, 'workplace-organisation innovation' (autonomous talent-fit teams) is paired with a 'business-practice innovation' (weekly strengths-based OKR check-ins), ensuring that latent capabilities are both mobilised and continuously reinforced.
- Interpersonal deficits—assertiveness and constructive dialogue (35 + 23 mentions)—are targeted through 'knowledge-management innovation' in the form of peer-learning circles and micro-learning modules, facilitating rapid diffusion of tacit communication skills.

- The demand for more meaningful tasks (n = 39) is met by a 'workplace-organisation innovation'—a task-significance audit followed by fortnightly workload reprioritisation—realigning everyday activities with intrinsic purpose.
- Finally, gaps in goal-setting and systematic work (38 + 19 mentions) are served by a 'business-practice innovation': a real-time digital dashboard integrating the PERMA Index, eNPS and OKR progress, which provides managers with automated alerts and data-driven coaching prompts.

Mapping each need to an Oslo-Manual category ensures that the proposed solutions are not only problem-specific but also consistent with an internationally recognised innovation taxonomy, thereby facilitating measurement, scaling and future cross-company comparisons.

Table 3.
Mapping Employee Needs (PERMA) to Organisational-Innovation Categories in the Oslo Manual (2018) with Illustrative Interventions

PERMA pillar → Employee need (n)	Oslo Manual 2018 – category of organisational innovation	Illustrative innovation that addresses the need
P – Positive Emotion • Emotion-regulation skills (44) • Trust-based climate (2)	External relations	Partnership with certified mindfulness / positive-psychology vendors offering app licences and live webinars for stress-management.
	Workplace organisation	Flexible schedules with built-in 5-minute "well-being micro-breaks", supported by reminder bots and recovery zones.
E – Engagement • Roles matching personal talents (42) • Mentoring & feedback (2)	Workplace organisation	Autonomous, cross-functional teams composed on the basis of CliftonStrengths™ profiles; each member performs tasks aligned with top talents.
	Business practices	Weekly OKR check-ins combined with strengths-based coaching conversations documented in a digital feedback system.
R – Relationships • Assertiveness & constructive dialogue (35 + 23)	Knowledge management	Internal "peer-learning circles" plus a repository of micro-learning modules on assertive communication and conflict resolution.
M – Meaning • More time for meaningful tasks (39)	Workplace organisation	Redesign of job roles using a "task significance audit"; teams reprioritise workload during fortnightly retrospectives to free time for high-purpose activities.
A – Accomplishment • Goal-setting & systematic work (38 + 19) • Leadership support & trust (9)	Business practices	Digital well-being & performance dashboard: PERMA Index, eNPS and OKR progress visualised in real time; managers receive automated alerts and hold data-driven coaching sessions.

Note. n = number of mentions in open-ended responses; N = 49 employees surveyed. Abbreviations used in the table: OKR - Objectives and Key Results, eNPS - employee Net Promoter Score, CliftonStrengths™ – Gallup's commercial test identifying the dominant talents (strengths) of an employee.

Source: authors' compilation based on an anonymous survey of 49 employees and Oslo Manual 2018.

The table exemplifies how employee well-being gaps can be reframed as "organisational innovations" in the sense defined by the Oslo Manual (OECD/Eurostat, 2018), i.e. new or significantly improved business practices, workplace organisation, external relations or knowledge-management routines.

4. Discussion

The results of this study matches each cluster of employee needs—derived from the PERMA-based survey—to a specific category of organisational innovation defined in the Oslo Manual (OECD/Eurostat, 2018) and presents concrete examples of how the enterprise can translate these innovations into practice.

A growing empirical corpus shows that employee well-being is not merely a moral imperative but a measurable driver of firm success. The study by De Neve, Kaats, and Ward (2023) employed large-scale, crowd-sourced survey data from Indeed, comprising more than 15 million employee responses across 1,636 publicly listed U.S. firms. Measures of workplace wellbeing—capturing job satisfaction, happiness, sense of purpose, and stress - were aggregated to the company level and linked to firm performance indicators, including return on assets, profitability, market valuation, and stock returns. The analyses demonstrate robust positive associations, showing that higher levels of employee wellbeing are predictive not only of contemporaneous firm performance but also of future financial outcomes, with portfolios of high-wellbeing firms outperforming standard market benchmarks.

Complementary evidence from Gallup's latest Q12® meta-analysis reports that teams in the top quartile of engagement - a behavioural expression of well-being - outperform the bottom quartile by 18 % in productivity and 23 % in profitability while reducing absenteeism by 81% (Gallup, 2024).

Well-being also fuels the innovation pipeline that underpins dynamic competitive advantage. A systematic review of 37 studies demonstrates that each PERMA domain - especially positive emotion and engagement - levates individual innovative work behaviour (IWB), creating a fertile micro-foundation for organisational innovation capabilities (Ibrahim et al., 2023). These findings align with the resource-based view: intangible, difficult-to-imitate human resources such as flourishing employees become a source of sustained differentiation when firms embed them in supportive cultures and systems.

The Job Demands–Resources (JD-R) theory provides a parsimonious mechanism connecting these dots. When job and personal resources outweigh hindering demands, they trigger a motivational pathway that boosts work engagement, creativity and performance; conversely, chronic resource deficits initiate spirals of exhaustion and turnover that erode competitiveness (Demerouti et al., 2001). Firms that continually invest in autonomy, feedback

and social support therefore convert well-being into superior key performance indicators and shareholder value.

Contextual studies in Poland illustrate both progress and gaps. HR professionals increasingly view employee well-being as a strategic asset, yet most programmes remain ad-hoc and poorly linked to business metrics (Beck-Krala, 2022). Case evidence from small and medium-sized enterprises shows that smart work-life balance and CSR initiatives raise employer-brand attractiveness and talent retention - critical levers of competitive strength in high-turnover sectors (Widawska-Stanisz, 2024).

It is worth noting that developing learning-organization capabilities - systematic learning at the individual and team levels, knowledge sharing, and the strengthening of absorptive capacity - constitutes a critical precondition for building a durable competitive advantage in the marketplace (Ziemiańczyk, Krakowiak-Bal, 2017).

5. Summary

Taken together, the literature converges on a clear lesson: employee flourishing and firm competitiveness are mutually reinforcing. Organisations that monitor well-being with rigorous tools, integrate JD-R principles into job design and leadership, and publicly report outcomes as part of ESG disclosures are better positioned to innovate, adapt and win in turbulent markets. Future longitudinal research should quantify the return on investment of comprehensive well-being strategies and explore culture - and sector-specific contingencies to refine these insights further.

In conclusion, a needs-first approach grounded in employees' subjective assessments of their own wellbeing - structured by the PERMA model - combined with the actionable innovation categories of the Oslo Manual appears well suited to strengthening organizational competitiveness. Because employees are best positioned to articulate their needs, systematically capturing PERMA domains and mapping them onto feasible organizational and process innovations provides a coherent, practice-ready blueprint for capability building and sustained advantage.

This study constitutes an initial attempt to operationalize that alignment between employee-reported needs and organizational innovation as a route to competitiveness. However, its scope is limited to a single organization, relies on a one-time data collection, and employs a dedicated self-assessment instrument developed for this study. Future research should extend the design to multi-organization samples, incorporate longitudinal measurement, and use well developed, validated instruments; it should also test causal pathways (e.g., through quasi-experimental or experimental designs) and link need-innovation interventions to hard performance outcomes.

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