Employee psychological well-being and job performance: exploring mediating and moderating mechanisms

Yasir Mansoor Kundi
IAE-Aix Marseille Graduate School of Management, Aix-Marseille Université, Aix-en-Provence, France

Mohammed Aboramadan
Department of Economics, Management, and Statistics, University of Milan-Bicocca, Milan, Italy

Eissa M.I. Elhamalawi
Department of Management Sciences, COMSATS University Islamabad, Islamabad, Pakistan, and

Subhan Shahid
Grenoble Ecole de Management, Grenoble, France

Abstract

Purpose – Given the importance of employee psychological well-being to job performance, this study aims to investigate the mediating role of affective commitment between psychological well-being and job performance while considering the moderating role of job insecurity on psychological well-being and affective commitment relationship.

Design/methodology/approach – The data were gathered from employees working in cellular companies of Pakistan using paper-and-pencil surveys. A total of 280 responses were received. Hypotheses were tested using structural equation modeling technique and Hayes’s Model 1.

Findings – Findings suggest that affective commitment mediates the association between psychological well-being (hedonic and eudaimonic) and employee job performance. In addition, perceived job insecurity buffers the association of psychological well-being (hedonic and eudaimonic) and affective commitment.

Practical implications – The study results suggest that fostering employee psychological well-being may be advantageous for the organization. However, if interventions aimed at ensuring job security are not made, it may result in adverse employee work-related attitudes and behaviors.

Originality/value – The study extends the current literature on employee well-being in two ways. First, by examining psychological well-being in terms of hedonic and eudaimonic well-being with employee work-
related attitude and behavior. Second, by highlighting the prominent role played by perceived job insecurity in explaining some of these relationships.

**Keywords** Psychological well-being, Affective commitment, Job insecurity, Job performance, Eudaimonic wellbeing, Hedonic wellbeing

**Paper type** Research paper

### 1. Introduction

Does the employee well-being have important implications both at work and for other aspects of an employees’ life? Of course! For years, we have known that they impact life at work and a plethora of research has examined the impact of employee well-being on work outcomes (Karapinar et al., 2019; Turban and Yan, 2016). What is less understood is how employee well-being impacts job performance. Evidence suggests that employee health and well-being are among the most critical factors for organizational success and performance (Bakker et al., 2019; Turban and Yan, 2016). Several studies have documented that employee well-being leads to various individual and organizational outcomes such as increased organizational performance and productivity (Hewett et al., 2018), customer satisfaction (Sharma et al., 2016), employee engagement (Tisu et al., 2020) and organizational citizenship behavior (OCB; Mousa et al., 2020).

The organizations’ performance and productivity are tied to the performance of its employees (Shin and Konrad, 2017). Much evidence has shown the value of employee job performance (i.e. the measurable actions, behaviors and outcomes that employee engages in or bring about which are linked with and contribute to organizational goals; Viswesvaran and Ones, 2017) for organizational outcomes and success (Al Hammadi and Hussain, 2019; Shin and Konrad, 2017), which, in turn, has led scholars to seek to understand what drives employee performance. Personality traits (Tisu et al., 2020), job conditions and organizational characteristics (Diamantidis and Chatzoglou, 2019) have all been identified as critical antecedents of employee job performance.

However, one important gap remains in current job performance research – namely, the role of psychological well-being in job performance (Hewett et al., 2018). Although previous research has found happy workers to be more productive than less happy or unhappy workers (DiMaria et al., 2020), a search of the literature revealed few studies on psychological well-being and job performance relationship (Salgado et al., 2019; Turban and Yan, 2016). Also, very little is known about the processes that link psychological well-being to job performance. Only a narrow spectrum of well-being related antecedents of employee performance has been considered, especially in terms of psychological well-being. Enriching our understanding of the consequences and processes of psychological well-being in the workplace, the present study examines the relationship between psychological well-being and job performance in the workplace setting. Such knowledge will not only help managers to attain higher organizational performance during the uncertain times but will uncover how to keep employees happy and satisfied (DiMaria et al., 2020).

Crucially, to advance job performance research, more work is needed to examine the relationship between employees’ psychological well-being and their job performance (Ismail et al., 2019). As Salgado et al. (2019) elaborated, we need to consider how an employees’ well-being affects ones’ performance at work. In an attempt to fill this gap in the literature, the present study seeks to advance job performance research by linking ones’ psychological well-being in terms of hedonic and eudaimonic well-being to ones’ job performance. Hedonic well-being refers to the happiness achieved through experiences of pleasure and enjoyment, while eudaimonic well-being refers to the happiness achieved through experiences of
meaning and purpose (Huta, 2016; Rahmani et al., 2018). We argue that employees with high levels of psychological well-being will perform well as compared to those having lower levels of psychological well-being. We connect this psychological well-being-job performance process through an employee affective commitment (employees’ perceptions of their emotional attachment to or identification with their organization; Allen and Meyer, 1996) – by treating it as a mediating variable between well-being-performance relationship.

Additionally, we also examine the moderating role of perceived job insecurity in the well-being-performance relationship. Perceived job insecurity refers to has been defined as the perception of being threatened by job loss or an overall concern about the continued existence of the job in the future (De Witte et al., 2015). There is evidence that perceived job insecurity diminishes employees’ level of satisfaction and happiness and may lead to adverse job-related outcomes such as decreased work engagement (Karatepe et al., 2020), deviant behavior (Soomro et al., 2020) and reduced employee performance (Piccoli et al., 2017). Thus, addressing the gap mentioned above, this study has two-fold objectives; First, to examine how the path between psychological well-being and job performance is mediated through employee affective commitment. The reason to inquire about this path is that well-being is associated with an employees’ happiness, pleasure and personal growth (Ismail et al., 2019). Therefore, higher the well-being, higher will be the employees’ affective commitment, which, in turn, will lead to enhanced job performance. The second objective is to empirically test the moderating effects of perceived job insecurity on employees’ emotional attachment with their organizations. Thus, we propose that higher job insecurity may reduce the well-being of employees and their interaction may result in lowering employees’ emotional attachment with their organization.

The present study brings together employee well-being and performance literature and contributes to these research areas in two ways. First, we contribute to this line of inquiry by investigating the direct and indirect crossover from hedonic well-being and eudaimonic well-being to employees’ job performance. We propose that psychological well-being (hedonic and eudaimonic) influence job performance through employee affective commitment. Second, prior research shows that the effect of well-being varies across individuals indicating the presence of possible moderators influencing the relationship between employee well-being and job outcomes (Lee, 2019). We, therefore, extend the previous literature by proposing and demonstrating the general possibility that perceived job insecurity might moderate the relationship of psychological well-being (hedonic and eudaimonic) and affective commitment. While there is evidence that perceived job insecurity influence employees’ affective commitment (Schumacher et al., 2016), what is not yet clear is the impact of perceived job insecurity on psychological well-being — affective commitment relationship. The proposed research model is depicted in Figure 1.

![Figure 1. Research model](image-url)
2. Hypotheses development

2.1 Psychological well-being and affective commitment

Well-being is a broad concept that refers to individuals’ valued experience (Bandura, 1986) in which they become more effective in their work and other activities (Huang et al., 2016). According to Diener (2009), well-being as a subjective term, which describes people’s happiness, the fulfillment of wishes, satisfaction, abilities and task accomplishments. Employee well-being is further categorized into two types, namely, hedonic well-being and eudaimonic well-being (Ballesteros-Leiva et al., 2017). Compton et al. (1996) investigated 18 scales that assess employee well-being and found that all the scales are categorized into two broad categories, namely, subjective well-being and personal growth. The former is referred to as hedonic well-being (Ryan and Deci, 2000) whereas, the latter is referred to as eudaimonic well-being (Waterman, 1993).

Hedonic well-being is based on people’s cognitive component (i.e. people’s conscious assessment of all aspects of their life; Diener et al., 1985) and affective component (i.e. people’s feelings that resulted because of experiencing positive or negative emotions in reaction to life; Ballesteros-Leiva et al., 2017). In contrast, eudaimonic well-being describes people’s true nature and realization of their actual potential (Waterman, 1993). Eudaimonic well-being corresponds to happy life based upon ones’ self-reliance and self-truth (Ballesteros-Leiva et al., 2017). Diener et al. (1985) argued that hedonic well-being focuses on happiness and has a more positive affect and greater life satisfaction, and focuses on pleasure, happiness and positive emotions (Ryan and Deci, 2000; Ryff, 2018). Contrarily, eudaimonic well-being is different from hedonic well-being as it focuses on true self and personal growth (Waterman, 1993), recognition for ones’ optimal ability and mastery (Ryff, 2018). In the past, it has been found that hedonic well-being and eudaimonic well-being are relatively correlated with each other but are distinct concepts (Sheldon et al., 2018).

To date, previous research has measured employee psychological well-being with different indicators such as thriving at work (Bakker et al., 2019), life satisfaction (Clark et al., 2019) and social support (Cai et al., 2020) or general physical or psychological health (Grey et al., 2018). Very limited studies have measured psychological well-being with hedonic and eudaimonic well-being, which warrants further exploration (Ballesteros-Leiva et al., 2017). Therefore, this study assesses employee psychological well-being based upon two validated measures, namely, hedonic well-being (people’s satisfaction with life in general) and eudaimonic well-being (people’s personal accomplishment feelings).

Employee well-being has received some attention in organization studies (Huang et al., 2016). Prior research has argued that happier and healthier employees increase their effort, performance and productivity (Huang et al., 2016). Similarly, research has documented that employee well-being has a positive influence on employee work-related attitudes and behaviors such as, increasing OCB (Mousa et al., 2020), as well as job performance (Magnier-Watanabe et al., 2017) and decreasing employees’ work-family conflict (Karapinar et al., 2019) and absenteeism (Schaumberg and Flynn, 2017). Although there is evidence that employee well-being positively influences employee work-related attitudes, less is known about the relationship between psychological well-being (hedonic and eudaimonic) and employee affective commitment (Pan et al., 2018; Semedo et al., 2019). Moreover, the existing literature indicated that employee affective commitment is either used as an antecedent or an outcome variable of employee well-being (Semedo et al., 2019; Ryff, 2018). However, affective commitment as an outcome variable of employee well-being has gained less scholarly attention, which warrants further investigation. Therefore, in the present study, we seek to examine employee affective commitment as an outcome variable of employee
psychological well-being because employees who are happy and satisfied in their lives are more likely to be attached to their organizations (Semedo et al., 2019).

To support the above argument, we draw on the self-determination theory of motivation (SDT), which is defined as people’s ability to make decisions and control their life for better psychological health and well-being (Deci and Ryan, 1985; Ryan and Deci, 2000). SDT is categorized into three types of psychological needs, namely, autonomy, relatedness and competence. These types of psychological needs are considered essential for the happiness and satisfaction of an individual. Based on SDT, we propose that employees who are satisfied and happy in their lives will be more committed to their organizations. Research in the past has found a positive linkage between employee commitment and indicators of psychological well-being such as happiness, personal growth, vitality and personal expressiveness (Pan et al., 2018; Sharma et al., 2016). Similarly, Thoresen et al. (2003), in their meta-analysis, also found a positive association between organizational commitment and indicators of hedonic well-being and eudaimonic well-being. Thus, we hypothesize the following:

H1a. Hedonic well-being positively predicts employee affective commitment.

H1b. Eudaimonic well-being positively predicts employee affective commitment.

2.2 Affective commitment and job performance

The concept of organizational commitment was first initiated by sit-bet theory in the early 1960s (Becker, 1960). Organizational commitment is defined as the psychological connection of employees to the organization and involvement in it (Cooper-Hakim and Viswesvaran, 2005). It is also defined as the belief of an individual in his or her organizational norms (Hackett et al., 2001); the loyalty of an employee toward the organization (Cooper-Hakim and Viswesvaran, 2005) and willingness of an employee to participate in organizational duties (Williams and Anderson, 1991).

Organizational commitment is further categorized into three correlated but distinct categories (Meyer et al., 1993), known as affective, normative and continuance. In affective commitment, employees are emotionally attached to their organization. In normative commitment, employees remain committed to their organizations due to the sense of obligation to serve. While in continuance commitment, employees remain committed to their organization because of the costs associated with leaving the organization (Allen and Meyer, 1990, p. 2). Among the dimensions of organizational commitment, affective commitment has been found to have the most substantial influence on organizational outcomes (Meyer and Herscovitch, 2001). It is a better predictor of OCB (Paul et al., 2019), low turnover intention (Kundi et al., 2018) and job performance (Jain and Sullivan, 2019).

According to Jain and Sullivan (2019), employees with greater affective commitment are more likely to perform better in their jobs as compared to those who have a low sense of obligation and devotion toward their organization. Schoemmel and Jønsson (2014) researched Danish employees working in a health care organization and found that employee affective commitment is associated with different individual and organizational outcomes. They also found that among different individual and organizational outcomes, employee affective commitment was strongly related to job performance. Based on the above arguments, we hypothesize the following:

2.3 Affective commitment as a mediator

Many studies had used the construct of affective commitment as an independent variable, mediator and moderating variable because of its importance as an effective determinant of work outcomes such as low turnover intention, job satisfaction and job performance (Jain and Sullivan, 2019; Kundi et al., 2018). There is very little published research on employee well-being and affective commitment relationship. Surprisingly, the effects of employee psychological well-being in terms of hedonic well-being and eudaimonic well-being have not been closely examined.

Employee psychological well-being is considered essential for employee affective commitment and employee job performance because an employee with greater well-being is more committed to his or her work and organization and tend to be a better performer (Jain and Sullivan, 2019). Staw and Barsade (1993) conducted a study in which they surveyed around 100 master of business administration students and found that students who were happy and satisfied with their lives were having high grades and better performance. Thereupon, we hypothesize the following:

\[ H3a. \] Affective commitment mediates the association between hedonic well-being and job performance.

\[ H3b. \] Affective commitment mediates the association between eudaimonic well-being and job performance.

2.4 The moderating role of job insecurity

Job insecurity is gaining importance because of the change in organizational structure as it is becoming flattered, change in the nature of the job as it requires a diverse skill set and change in human resource (HR) practices as more temporary workers are hired nowadays (Piccoli et al., 2017; Kundi et al., 2018). Such changes have caused several adverse outcomes such as job dissatisfaction (Bouzari and Karatepe, 2018), unethical pro-organizational behavior (Ghosh, 2017), poor performance (Piccoli et al., 2017), anxiety and lack of commitment (Wang et al., 2018).

Lack of harmony on the definition of job insecurity can be found among the researchers. However, a majority of them acknowledge that job insecurity is subjective and can be referred to as a subjective perception (Wang et al., 2018). Furthermore, job insecurity is described as the perception of an employee regarding the menace of losing a job in the near future (De Witte et al., 2015). When there is job insecurity, employees experience a sense of threat to the continuance and stability of their jobs (Shoss, 2017).

Although job insecurity has been found to influence employee work-related attitudes, less is known about its effects on behavioral outcomes (Piccoli et al., 2017). As maintained by the social exchange theory, behaviors are the result of an exchange process (Blau, 1964). Furthermore, these exchanges can be either tangible or socio-emotional aspects of the exchange process (Kundi et al., 2018). Employees who perceive and feel that their organization is providing them job security and taking care of their well-being will turn to be more committed to their organization (Kundi et al., 2018; Wang et al., 2018). Much research has found that employees who feel job security are happier and satisfied with their lives (Shoss, 2017; De Witte et al., 2015) and are more committed to their work and organization (Bouzari and Karatepe, 2018; Wang et al., 2018). Shoss (2017) conducted a thorough study on job insecurity and found that job insecurity can cause severe adverse consequences for both the employees and organizations.
Many studies have found that job insecurity lead toward employee anxiety (Wang et al., 2018), stress (Shoss, 2017), unhappiness and psychological illness (De Witte et al., 2015) and lack of commitment. De Witte and Näswall (2003) conducted a study of 4,000 permanent and temporary employees working in different companies located in European countries, namely, Belgium, Netherland, Sweden and Italy. Findings of their study highlighted that:

- Employees who are uncertain about their jobs (i.e. high level of perceived job insecurity) are less committed with their organizations.
- Employees with temporary job contracts were found to have low organizational committed as compared to the employees with permanent job contracts.

Such a difference between temporary and permanent job contract holders was mainly due to the perceived job insecurity by the temporary job contract holders.

Accordingly, in the present study, we assume job insecurity as a moderating variable between employee well-being and organizational commitment due to two reasons. First, as per the past evidence, which shows that job insecurity impacts employees’ happiness (hedonic well-being), satisfaction (eudaimonic well-being) and level of employees’ commitment. Second, the nature of the jobs in the Telecom sector of Pakistan are contractual and temporary, which could result in perceived job insecurity by the employees. Therefore, we hypothesize the following:

$$H4. \text{ Job insecurity will moderate the relationship between hedonic well-being, eudaimonic well-being and affective organizational commitment.}$$

3. Method
3.1 Sample and procedure
The data for this study came from a survey of Pakistani employees, who worked in five private telecommunication organizations (Mobilink, Telenor, Ufone, Zong and Warid). These five companies were targeted because they are the largest and highly competitive companies in Pakistan. Moreover, the telecom sector is a private sector where jobs are temporary or contractual (Kundi et al., 2018). Hence, the investigation of how employees’ perceptions of job insecurity influence their psychological well-being and its outcomes is highly relevant in this context. Studies exploring such a phenomenon are needed, particularly in the Pakistani context, to have a better insight and thereby strengthen the employee well-being and job performance literature.

Two of the authors had personal and professional contacts to gain access to these organizations. The paper-and-pencil method was used to gather the data. Questionnaires were distributed among 570 participants with a cover letter explaining the purpose of the study, noted that participation was voluntary, and provided assurances that their responses would be kept confidential and anonymous. After completion of the questionnaires, the surveys were collected the surveys on-site by one of the authors. As self-reported data often render itself to common method bias (CMB; Podsakoff et al., 2012), we applied several procedural remedies such as reducing the ambiguity in the questions, ensuring respondent anonymity and confidentiality, separating of the predictor and criterion variable and randomizing the item order to limit this bias.

Of the 570 surveys distributed initially, 280 employees completed the survey form (response rate = 49%). According to Baruch and Holtom (2008), the average response rate for studies at the individual level is 52.6% (SD = 19.7). Hence, our response rate meets the standard for a minimum acceptable response rate, which is 49%. Of the 280 respondents,
39% were female, their mean age was 35.6 years (SD = 5.22) and the average organizational tenure was 8.61 years (SD = 4.21). The majority of the respondents had at least a bachelors' degree (83%). Respondents represented a variety of departments, including marketing (29%), customer services (26%), finance (20%), IT (13%) and HR (12%).

3.2 Measures
The survey was administered to the participants in English. English is the official language of correspondence for professional organizations in Pakistan (De Clercq et al., 2019). All the constructs came from previous research and anchored on a five-point Likert scale ranging from 1 = Strongly disagree to 5 = Strongly agree.

Psychological well-being. We measured employee psychological well-being with two sub-dimensions, namely, hedonic well-being and eudaimonic well-being. Hedonic well-being was measured using five items (Diener et al., 1985). A sample item is “my life conditions are excellent” (α = 0.86). Eudaimonic well-being was measured using 21 items (Waterman et al., 2010), of which seven items were reverse-scored due to its negative nature. Sample items are “I feel that I understand what I was meant to do in my life” and “my life is centered around a set of core beliefs that give meaning to my life” (α = 0.81).

Affective commitment. The affective commitment was measured using a six-item inventory developed by Allen and Meyer (1990). The sample items are “my organization inspires me to put forth my best effort” and “I think that I will be able to continue working here” (α = 0.91).

Job insecurity. Job insecurity was measured using a five-item inventory developed by Chirumbolo et al. (2015). The sample item is “I fear I will lose my job” (α = 0.87).

Job performance. We measured employee job performance with the seven-item inventory developed by Williams and Anderson (1991). The sample items are “I do fulfill my responsibilities, which are mentioned in the job description” and “I try to work as hard as possible” (α = 0.87).

Controls. We controlled for respondents’ age (assessed in years), gender (1 = male, 2 = female) and organizational tenure (assessed in years) because prior research (Alessandri et al., 2019; Edgar et al., 2020) has found significant effects of these variables on employees’ job performance.

4. Results
4.1 Descriptive statistics
Table 1 presents the means, standard deviations and correlations among study variables.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>AVE</th>
<th>ASV</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Hedonic well-being</td>
<td>3.82</td>
<td>0.64</td>
<td>0.67</td>
<td>0.06</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Eudaimonic well-being</td>
<td>3.66</td>
<td>0.72</td>
<td>0.53</td>
<td>0.09</td>
<td>0.35**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Affective commitment</td>
<td>3.91</td>
<td>0.87</td>
<td>0.64</td>
<td>0.12</td>
<td>0.31***</td>
<td>0.42**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Job insecurity</td>
<td>2.88</td>
<td>1.01</td>
<td>0.63</td>
<td>0.04</td>
<td>−0.19**</td>
<td>−0.25***</td>
<td>−0.26**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Job performance</td>
<td>4.01</td>
<td>0.69</td>
<td>0.61</td>
<td>0.08</td>
<td>0.21***</td>
<td>0.34***</td>
<td>0.49***</td>
<td>−0.15*</td>
<td>(0.87)</td>
</tr>
</tbody>
</table>

Notes: N = 280. AVE = average variance extracted, ASV = average shared variance, reliability coefficients (shown in diagonal position of table in parentheses). *p < 0.05, **p < 0.01
4.2 Construct validity

Before testing hypotheses, we conducted a series of confirmatory factor analyzes (CFAs) using AMOS 22.0 to examine the distinctiveness of our study variables. Following the guidelines of Hu and Bentler (1999), model fitness was assessed with following fit indices; comparative fit index (CFI), root mean square error of approximation (RMSEA) and standardized root mean square residual (SRMR). We used a parceling technique (Little et al., 2002) to ensure item to sample size ratio. According to Williams and O’Boyle (2008), the item-parceling approach is widely used in HRM research, which allows estimation of fewer model parameters and subsequently leads to the optimal variable to sample size ratio and stable parameter estimates (Wang and Wang, 2019). Based on preliminary CFAs, we combined the highest item loading with the lowest item loading to create parcels that were equally balanced in terms of their difficulty and discrimination. Item-parceling was done only for the construct of eudaimonic well-being as it entailed a large number of items (i.e. 21 items). Accordingly, we made five parcels for the eudaimonic well-being construct (Waterman et al., 2010).

As shown in Table 2, the CFA results revealed that the baseline five-factor model (hedonic well-being, eudaimonic well-being, job insecurity, affective commitment and job performance) was significant ($\chi^2 = 377.11$, df = 199, CFI = 0.971, RMSEA = 0.034 and SRMR = 0.044) and better than the alternate models, including a four-factor model in which hedonic well-being and eudaimonic well-being were considered as one construct ($\Delta \chi^2 = 203.05$, $\Delta$df = 6), a three-factor model in which hedonic well-being, eudaimonic well-being and affective commitment were loaded on one construct ($\Delta \chi^2 = 308.99$, $\Delta$df = 8) and a one-factor model in which all items loaded on one construct ($\Delta \chi^2 = 560.77$, $\Delta$df = 11). The results, therefore, provided support for the distinctive nature of our study variables.

To ensure the validity of our measures, we first examined the convergent validity through the average variance extracted (AVE). We found AVE scores higher than the threshold value of 0.5 (Table 1; Fornell and Larcker, 1981), supporting the convergent validity of our constructs. We also estimated discriminant validity by comparing the AVE of each construct with the average shared variance (ASV), i.e. mean of the squared correlations among constructs (Hair et al., 2010). As expected, all the values of AVE were higher than the ASV constructs, thereby supporting discriminant validity (Table 1).

4.3 Common method variance

We examined the presence of common method variance (CMV) using:

- Harman’s one-factor test.
- CFA (Podsakoff et al., 2012).

Harman’s one-factor test showed five factors with eigenvalues of greater than 1.0 accounted for 69.12% of the variance in the exogenous and endogenous variables. The results of CFA showed that the single-factor model did not fit the data well ($\chi^2 = 937.88$, df = 210, CFI = 0.642, RMSEA = 0.136, SRMR = 0.122). These tests showed that CMV was not a major issue in this study.

4.4 Hypotheses testing

The hypotheses pertaining to mediation were tested using a structural model in AMOS 22.0 (Figure 2), which had an acceptable goodness of fit ($\chi^2 = 298.01$, df = 175, CFI = 0.97, RMSEA = 0.04 and SRMR = 0.04). Hypotheses about moderation were tested in SPSS (25th edition) using PROCESS Model I (Hayes, 2017; Table 3).
<table>
<thead>
<tr>
<th>Model</th>
<th>$\chi^2$</th>
<th>df</th>
<th>$\Delta \chi^2$</th>
<th>$\Delta df$</th>
<th>CFI</th>
<th>RMSEA</th>
<th>SRMR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 1 (hypothesized five-factor model)</td>
<td>377.11**</td>
<td>199</td>
<td>-</td>
<td>-</td>
<td>0.971</td>
<td>0.034</td>
<td>0.044</td>
</tr>
<tr>
<td>Model 2 (four-factor model: combines HW and EW)</td>
<td>580.16**</td>
<td>205</td>
<td>203.05**</td>
<td>6</td>
<td>0.865</td>
<td>0.081</td>
<td>0.110</td>
</tr>
<tr>
<td>Model 3 (three-factor model: combines HW, EW and AC)</td>
<td>686.10**</td>
<td>207</td>
<td>308.90**</td>
<td>8</td>
<td>0.780</td>
<td>0.101</td>
<td>0.117</td>
</tr>
<tr>
<td>Model 4 (one-factor model)</td>
<td>937.88**</td>
<td>210</td>
<td>560.77**</td>
<td>11</td>
<td>0.642</td>
<td>0.136</td>
<td>0.122</td>
</tr>
</tbody>
</table>

**Notes:** $N = 280$. HW = hedonic well-being, EW = eudaimonic well-being, AC = affective commitment, JP = job performance; $\chi^2$ = chi-square, df = degree of freedom, RMSEA = root mean square error of approximation, CFI = comparative fit index, SRMR = standardized root mean square residual. **$p < 0.01$
$H1a$ and $H1b$ suggested that hedonic well-being and eudaimonic well-being positively relate to employee affective commitment. According to Figure 2, the results indicate that hedonic well-being ($\beta = 0.26, p < 0.01$) and eudaimonic well-being ($\beta = 0.32, p < 0.01$) are positively related to employee affective commitment. Taken together, these two findings provide support for $H1a$ and $H1b$. In $H2$, we predicted that employee affective commitment would positively associate with employee job performance. As seen in Figure 2, employee affective commitment positively predicted employee job performance ($\beta = 0.41, p < 0.01$), supporting $H2$.

$H3a$ and $H3b$ suggested that employee affective commitment mediates the relationship between hedonic and eudaimonic well-being and employee job performance. According to Figure 2, the results indicate that hedonic well-being is positively related to employee job performance via employee affective commitment ($\beta = 0.11, 95\% \text{ CI} = 0.09; 0.23$). Similarly, eudaimonic well-being is positively related to employee job performance via employee affective commitment ($\beta = 0.15, 95\% \text{ CI} = 0.12; 0.35$), supporting $H3a$ and $H3b$.

Finally, $H4a$ and $H4b$ predicted that job insecurity would negatively moderate the positive relationship between:

- Hedonic well-being.
- Eudaimonic well-being and employee affective commitment.

In support of $H4a$, our results (Table 3) revealed a negative and significant interaction effect between hedonic well-being and job insecurity on employee affective commitment.

**Figure 2.** Structural model with standardized coefficients; $N = 280$

<table>
<thead>
<tr>
<th>Predictors</th>
<th>Affective commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$\beta$</td>
</tr>
<tr>
<td>Hedonic well-being</td>
<td>0.23***</td>
</tr>
<tr>
<td>Eudaimonic well-being</td>
<td>0.34***</td>
</tr>
<tr>
<td>Job insecurity</td>
<td>-0.15*</td>
</tr>
<tr>
<td>Job insecurity $\times$ hedonic well-being</td>
<td>-0.12*</td>
</tr>
<tr>
<td>Job insecurity $\times$ eudaimonic well-being</td>
<td>-0.28**</td>
</tr>
</tbody>
</table>

**Notes:** $N = 280$; *$p < 0.05$, **$p < 0.01$; Unstandardized coefficients and average bootstrap estimates are stated; demographic variables are controlled; bootstrapping procedure [5,000 iterations, bias-corrected, 95\% CI]
(β = −0.12, p < 0.05). The pattern of this interaction was consistent with our hypothesized direction; the positive relationship between hedonic well-being and employee affective commitment was weaker in the presence of high versus low job insecurity (Figure 3).

Likewise, the interaction effect between eudaimonic well-being and job insecurity on employee affective commitment was negatively significant (β = −0.28, p < 0.01). The pattern of this interaction was consistent with our hypothesized direction; the positive relationship between eudaimonic well-being and employee affective commitment was weaker in the presence of high versus low job insecurity (Figure 4). Thus, H4a and H4b were supported. The pattern of these interactions was consistent with our hypothesized direction; the positive relationship of hedonic well-being and eudaimonic well-being with employee affective commitment were weaker in the presence of high versus low perceived job insecurity.

5. Discussion

The present research examined the direct and indirect crossover from psychological well-being (hedonic and eudaimonic) to job performance through employee affective commitment and the moderating role of job insecurity between psychological well-being and affective commitment relationship. The results revealed that both hedonic well-being and eudaimonic well-being has a direct and indirect effect on employee job performance. Employee affective commitment was found to be a potential mediating mechanism (explaining partial variance) in the relationship between psychological well-being and job performance. Findings regarding the buffering role of job insecurity revealed that job insecurity buffers the positive

![Figure 3](image1)

**Figure 3.** Interactive effect of hedonic well-being and job insecurity on employee affective commitment

![Figure 4](image2)

**Figure 4.** Interactive effect of eudaimonic well-being and job insecurity on employee affective commitment
relationship between psychological well-being and employee affective commitment such that higher the job insecurity, lower will be employee affective commitment. The findings generally highlight and reinforce that perceived job insecurity can be detrimental for both employees' well-being and job-related behaviors (Soomro et al., 2020).

5.1 Theoretical implications
The present study offers several contributions to employee well-being and job performance literature. First, the present research extends the employee well-being literature by investigating employee affective commitment as a key mechanism through which psychological well-being (hedonic and eudaimonic) influences employees' job performance. In line with SDT, we found that both hedonic well-being and eudaimonic well-being enhanced employees' affective commitment, which, in turn, led them to perform better in their jobs. Our study addresses recent calls for research to understand better how psychological well-being influence employees' performance at work (Huang et al., 2016), and adds to a growing body of work, which confirms the importance of psychological well-being in promoting work-related attitudes and behaviors (Devonish, 2016; Hewett et al., 2018; Ismail et al., 2019). Further, we have extended the literature on employee affective commitment, highlighting that psychological well-being is an important antecedent of employee' affective commitment and thereby confirming previous research by Aboramadan et al. (2020) on the links between affective commitment and job performance.

Second, our results provide empirical support for the efficacy of examining the different dimensions of employee well-being, i.e. hedonic well-being and eudaimonic well-being as opposed to an overall index of well-being at work. Specifically, our results revealed that both hedonic well-being and eudaimonic well-being boost both employees' attachment with his or her organization and job performance (Hewett et al., 2018; Luu, 2019). Among the indicators of psychological well-being, eudaimonic well-being (i.e. realization and fulfillment of ones' true nature) was found to have more influence on employee affective commitment and job performance as compared to hedonic well-being (i.e. state of happiness and sense of flourishing in life). Therefore, employees who experience high levels of psychological well-being are likely to be more attached to their employer, which, in turn, boosts their job performance.

Third, job insecurity is considered as an important work-related stressor (Schumacher et al., 2016). However, the moderating role of job insecurity on the relationship between psychological well-being and affective commitment has not been considered by the previous research. Based on social exchange theory (Blau, 1964), we expected job insecurity to buffer the positive relationship between the psychological well-being and affective commitment. The results showed that employees with high levels of perceived job insecurity reduce the positive relationship of psychological well-being (hedonic and eudaimonic) and affective commitment. This finding is consistent with previous empirical evidence supporting the adverse role of perceived job insecurity in reducing employees' belongingness with their organization (Jiang and Lavaysse, 2018). There is strong empirical evidence (Qian et al., 2019; Schumacher et al., 2016) that employee attitudes and health are negatively affected by increasing levels of job insecurity. Schumacher et al. (2016) suggested in an elaborate explanation of the social exchange theory that the constant worrying about the possibility of losing ones’ job promotes psychological stress and feelings of unfairness, which, in turn, affects employees’ affective commitment. Hence, employees’ psychological well-being and affective commitment are heavily influenced by the experience of high job insecurity.
5.2 Practical implications

Our study has several implications. First and foremost, this study will help managers in understanding the importance of employees’ psychological well-being for work-related attitudes and behavior. Based on our findings, managers need to understand how important psychological well-being is for employees’ organizational commitment and job performance. According to Hosie and Sevastos (2009), several human resource-based interventions could foster employees’ psychological well-being, such as selecting and placing employees into appropriate positions, ensuring a friendly work environment and providing training that improves employees’ mental health and help them to manage their perceptions positively.

Besides, managers should provide their employees with opportunities to use their full potential, which will increase employees’ sense of autonomy and overall well-being (Sharma et al., 2017). By promoting employee well-being in the workplace, managers can contribute to developing a workforce, which will be committed to their organizations and will have better job performance. However, based on our findings, in the presence of job insecurity, organizations spending on interventions to improve employees’ psychological well-being, organizational commitment and job performance might go in vain. In other words, organizations should ensure that employees feel a sense of job security or else the returns on such interventions could be nullified.

Finally, as organizations operate in a volatile and highly competitive environment, it is and will be difficult for them to provide high levels of job security to their employees, especially in developing countries such as Pakistan (Soomro et al., 2020). Given the fact that job insecurity leads to cause adverse employee psychological well-being and affective commitment, managers must be attentive to subordinates’ perceptions of job insecurity and adverse psychological well-being and take action to prevent harmful consequences (Ma et al., 2019). Organizations should try to avoid downsizings, layoffs and other types of structural changes, respectively, and find ways to boost employees’ perceptions of job security despite those changes. If this is not possible, i.e. the organization not able to provide job security, this should be communicated to employees honestly and early.

5.3 Limitations and future studies

There are several limitations to this study. First, we measured our research variables by using a self-report survey at a single point of time, which may result in CMB. We used various procedural remedies to mitigate the potential for CMB and conducted CFA as per the guidelines of Podsakoff et al. (2012) to ensure that CMV was unlikely to be an issue in our study. However, future research may rely on supervisors rated employees’ job performance or collect data at different time points to avoid the threat of such bias.

Second, the sample of this study consisted of employees working in cellular companies of Pakistan with different demographic characteristics and occupational backgrounds; thus, the generalizability of our findings to other industries or sectors is yet to be established. Future research should test our research model in various industries and cultures.

A final limitation pertains to the selection of a moderating variable. As this study was conducted in Pakistan, contextual factors such as the perceived threat to terrorism, law and order situation or perceived organizational injustice might also influence the psychological well-being of employees working in Pakistan (Jahanzeb et al., 2020; Sarwar et al., 2020). Future studies could consider the moderating role of such external factors in the relationship between employee psychological well-being, affective commitment and job performance.
6. Conclusion

This study proposed a framework to understand the relationship between employee psychological well-being, affective commitment and job performance. It also described how psychological well-being influences job performance. Additionally, this study examined the moderating role of perceived job insecurity on psychological well-being and affective commitment relationship. The results revealed that employee psychological well-being (hedonic and eudaimonic) has beneficial effects on employee affective commitment, which, in turn, enhance their job performance. Moreover, the results indicated that perceived job insecurity has ill effects on employee affective commitment, especially when the employee has high levels of perceived job insecurity.

References


Further reading

Corresponding author
Mohammed Aboramadan can be contacted at: mohammed.aboramadan@unimib.it

For instructions on how to order reprints of this article, please visit our website: www.emeraldgrouppublishing.com/licensing/reprints.htm
Or contact us for further details: permissions@emeraldinsight.com