

## A Study on Developing Organizations Dynamic Capability and Employee Mental Health

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### Abstract

This study investigates the relationship between the development of organizational dynamic capabilities and employee mental health. Drawing upon a mixed-methods approach involving quantitative surveys and qualitative interviews, we explore how organizational practices influence the well-being of employees. Our findings reveal a significant positive correlation between the cultivation of dynamic capabilities—such as innovation, adaptability, and strategic orientation—and favorable mental health outcomes among employees. We identify key mediating factors, including organizational culture, leadership styles, and human resource strategies, which shape the impact of dynamic capabilities on employee well-being. Longitudinal analyses underscore the importance of sustained efforts over time in fostering both organizational resilience and employee mental health. Qualitative insights from interviews shed light on the lived experiences of employees, highlighting the importance of fostering a culture of trust, autonomy, and social support within organizations. Based on our findings; we offer practical recommendations for organizations seeking to enhance both dynamic capabilities and employee mental health, emphasizing the integration of targeted training programs, flexible work arrangements.

### INTRODUCTION

This study aims to bridge the scholarly gap between dynamic capabilities and employee dynamic capabilities (EDC) in the context of the digital era, particularly within Chinese SMEs. By investigating the factors driving EDC and their impact on employee digital performance, while considering the moderating role of competitive climate, the research provides insights into specific

regions in China. Utilizing survey data from SMEs in Shanghai, Guizot, Guangdong, and Anhui, the study employs CB-SEM to analyze an oval conceptual framework.

Through this conceptual model and capability typology, we delve deeper in to the discourse surrounding the fundamental components HRM systems, HRMDC, and their implications for resources, practices, employee well-being, and performance. In practical terms, HRM DC emerges as a promising catalyst for sustainable organization growth by empowering firms to enhance their strategic agility and adaptability in dynamic environments. And also this study seeks to investigate how organizational learning and dynamic capability influence the performance of human resource service enterprises, with a focus on the moderating roles of technology and market environments. The findings reveal that organizational learning significantly enhances both resource integration and resource reconfiguration capabilities within human resource service enterprises. These capabilities, in turn, positively affect organizational performance. Furthermore, the study indicates that resource integration and reconfiguration capabilities partially mediate the relationship between organizational learning and performance additionally, the moderating effects of technology and market environments are found to positively influence the relationship between these capabilities and organizational performances. This research enhances our understanding of how organizational learning impacts performance and offers valuable insights for human resource service enterprises and managers seeking to enhance their organizational performance.

## **REVIEWOFLITERATURE**

**(Edelman Trust Barometer Global Report, 2023).**

The report identifies wealth disparity, media influence, and governmental leadership as primary drivers of this polarization. Such polarization poses risks to both employee and business, foresting negative workplace behavior like favouritism prejudice, incivility, discrimination, and victimization.

This article is about the main topic of the dynamic capabilities of an individual in the organization and for development it's important to note that the challenges and research directions highlighted in this editorial are suggestive rather than comprehensive, aiming to stimulate further exploration and contribute to the advancement of both research and practice in the field.

**Shashank Mittal (26June2019):**

Given the inevitability of organization learning in the healthcare sector, largely influenced by its continually evolving dynamics, the current literature predominantly emphasizes experience based learning, with limited attention paid to deliberate learning. Addressing this disparity, the study to construct and validate a process model associating the cultivation of dynamic capabilities with deliberate learning and the implementation of new practices. Moreover, the insights gleaned from this research are poised to assist organizations and managers in comprehending and proficiently steering the process of implementing new practices through deliberate interventions.

In this field study, we utilized a sample (HCUs) to examine their health care improvement program efficiency in transferring training for new practice implementation. Alongside descriptive statistics, we employed multiple hierarchical regressions and bootstrapping to evaluate our hypotheses.

**Herbert Nold (5November2018)**

Managers and leaders often display negative traits akin to those of Sith Lords, such as destructive behavior, narcissism, and greed. It seems as though they've been tempted to the dark side of leadership. However, can a management structure be devised to combat this influence and guide leaders towards the path of virtuous leadership, akin to Jedi Knights? We propose that a people-centric approach to management holds the key, although it's a challenge. Creating such a framework demands a thorough examination of the unseen forces within organizations. In this chapter, we present a model for people-centric management, prompting readers to reflect on various aspects of building a dynamic, people-focused organization. Through introspection, we aim for readers to gain insights into their own organizations and cultivate leaders capable of defeating the dark influences within.

## **RESEARCH METHODOLOGY**

### **Research Gap**

Research on developing organizations' dynamic capabilities and employee mental health is an important area, but identifying the specific research gaps requires a deeper dive into existing literature. Here are some potential research gaps based on the current state of knowledge: Integration of dynamic capabilities and employee mental health, Longitudinal studies, mediating and moderating factors, contextual factors, intervention studies, Cross-cultural perspectives, Measurement and methodological issues ect. Addressing these research gaps could contribute to a deeper understanding of the relationship between organizational dynamic capabilities and employee mental health, ultimately leading to the developing of more effective strategies for fostering employee well-being and organizational performance.

### **Need for the study**

Studying the relationship between organizational dynamic capabilities and employee mental health is crucial for several reasons: some of the factors included are employee well-being and productivity, retention and turnover, competitive advantage, organizational resilience, ethical responsibility, legal and regulatory compliance and social impact. Studying the relationship between organizational dynamic capabilities and employee mental health is essential for fostering healthy and sustainable work environments, improving organizational performance, and fulfilling ethical and legal responsibilities towards employees.

### **Purpose of study**

The study of developing organizations' dynamic capabilities and employee mental health serves several critical purposes, intertwining strategic management with human resource development to enhance overall organizational performance and sustainability. Also, this study helps in finding the organizations' dynamic capabilities and employee mental health is essential for fostering a resilient, innovative, and high-performing organizational culture. By understanding and implementing strategies that support both organizational adaptability and employee well-being, organizations can achieve sustained success and a thriving workforce.

### **Problem statement**

In the face of rapidly evolving market dynamics, technological advancements, and competitive pressures, organizations must enhance their dynamic capabilities to remain agile and innovative. Concurrently, the increasing prevalence of mental health challenges among employees poses

significant risk to productivity, engagement, and overall organizational performance. However, there is a critical gap in understanding how to develop organizational dynamic capabilities in a manner that simultaneously supports and promotes employee mental health. This dual focus is essential for achieving sustainable growth, maintaining competitive advantage, and fostering a resilient workforce.

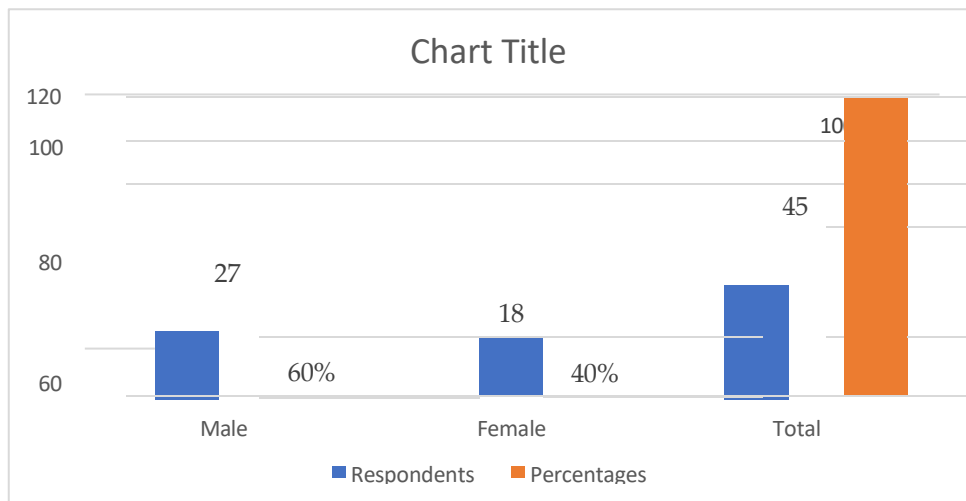
**Objectives of the study**

1. Develop Integrated Frameworks: Create comprehensive frameworks that align dynamic capability development with employee mental health strategies.
2. Evaluate Psychological Impacts: Investigate the psychological effects of organizational change and dynamic capability development on employees.
3. Assess Intervention Effectiveness: Evaluate the effectiveness of integrated mental health and dynamic capability interventions.

**DATAANALYSIS**

Gender	Male	Female	Total
Respondents	27	18	45
Percentages	60%	40%	100

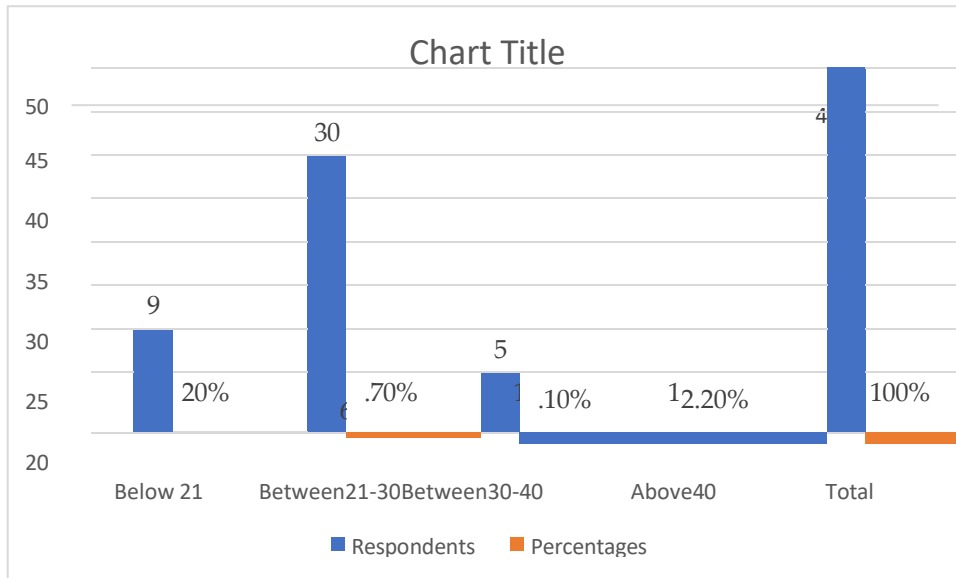
**Count of Gender:**



**Count of gender**

Interpretation: The total respondents are 45 which male is 60% and female is 40%

Age	Below21	Between 21-30	Between 30-40	Above40	Total
Respondents	9	30	5	1	45
Percentages	20%	66.7%	11.1%	2.2%	100%

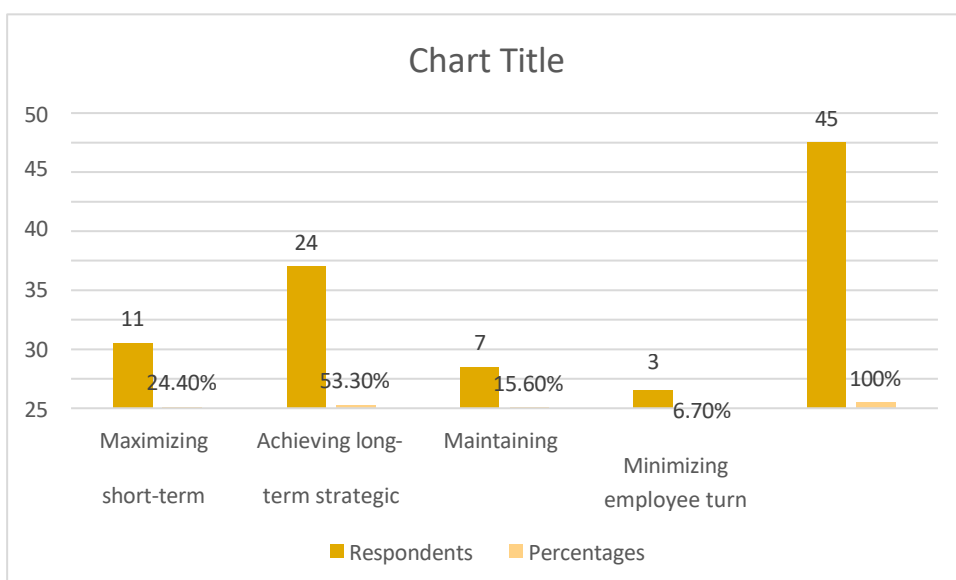


### Count of age

Interpretation: The total respondents of age are below21 is 20%, Between21-30 is 66.70%, between 30-40 is 11.10% and above 40 is 2.20%.

Primary goal of developing dynamic capabilities within the organization	Maximizing short-term profits	Achieving long-term strategic success	Maintaining status quo-operations	Minimizing employee turn over	Total
Respondents	11	24	7	3	45
Percentages	24.4%	53.3%	15.6%	6.7%	100%

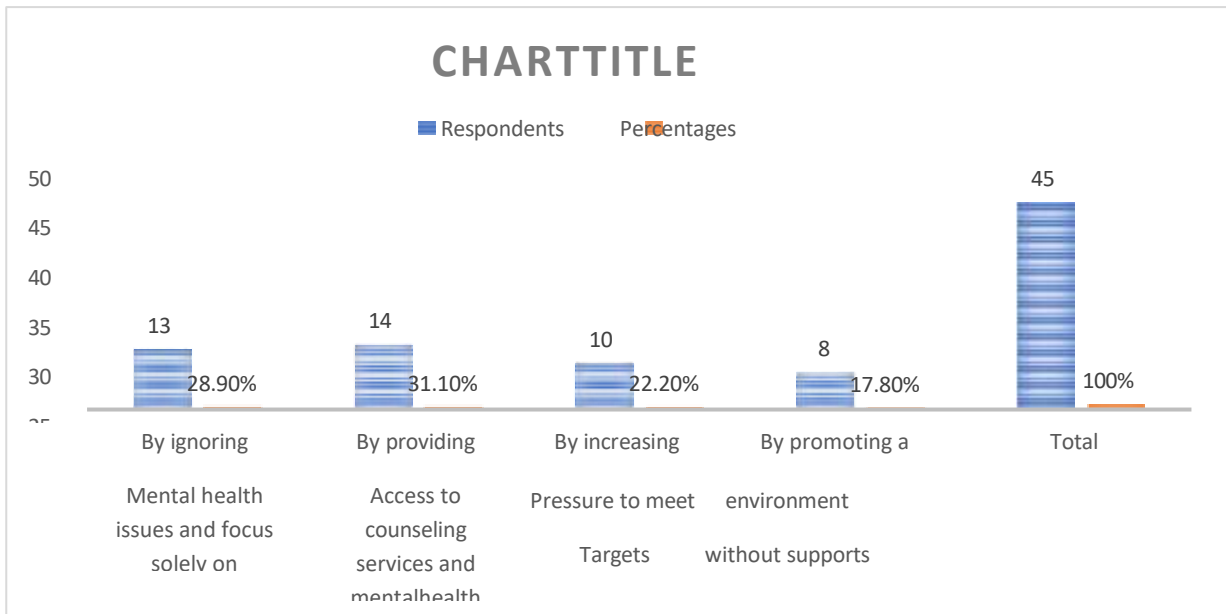
Primary goal of developing dynamic capabilities within the organization:



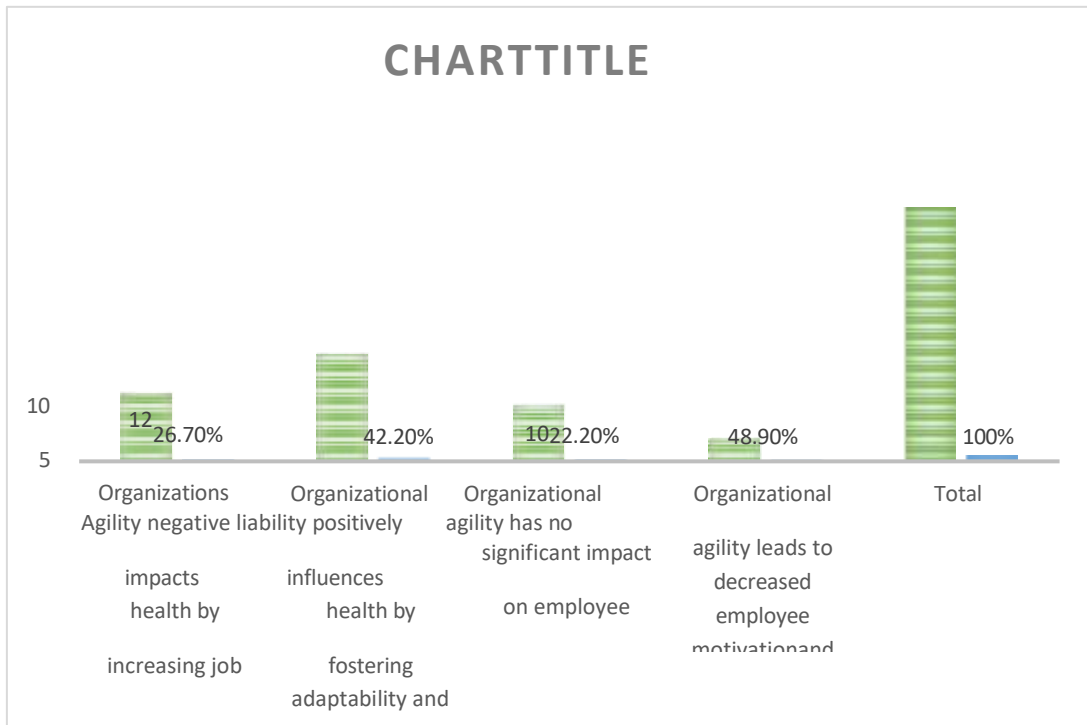
Interpretation: Most of the respondents gave that 53.3% for achieving long-term

strategic success.

<b>How can organizations effectively address mental health challenges among employees</b>	<b>By ignoring mental health issues and focus solely on productivity</b>	<b>By providing access to counseling services and mental health resources</b>	<b>By increasing workload and pressure to meet targets</b>	<b>By promoting a competitive work environment without supports structures</b>	<b>Total</b>
Respondents	13	14	10	8	45
Percentages	28.9%	31.1%	22.2%	17.8%	100%



<b>In what ways can dynamic capabilities contribute to Employee job satisfaction</b>	<b>By creating uncertainty and Instability in the workplace</b>	<b>By fostering a culture of continuous Learning and adaption</b>	<b>By limiting opportunities for career advancement and growth</b>	<b>By enforcing strict hierarchical structures within the organization</b>	<b>Total</b>
Respondents	14	12	12	7	45
Percentages	31.1%	26.7%	26.7%	15.6%	100%



**STATISTICAL TOOL FOR ANALYSIS**

H0: There is no significant relationship between organizations dynamic capability and employee mental health.

H1: There is significant relationship between organizations dynamic capability and employee mental health.

Gender	Maximizing short-term profits	Achieving long-term strategic success	Maintaining status quo operations	Minimizing employee turnover	Row Total
Male	6(6.60) [0.05]	15 (14.40) [0.02]	4(4.20) [0.01]	2(1.80) [0.02]	27
Female	5(4.40) [0.08]	9(9.60) [0.04]	3(2.80) [0.01]	1(1.20)[0.30]	18
Column Total	11	24	7	3	45

The chi-square statistics 0.2782. The p-value is 96407. The result is not significant at  $p < 0.5$ .

Age	Maximizing short-term profits	Achieving long-term strategic success	Maintaining status quo operations	Minimizing employee turnover	Row Total
Below22	2(3.40) [0.58]	3(2.40) [0.15]	1(1.60) [0.23]	3(1.60)[1.22]	9
Between21-50	15 (13.60) [0.14]	9(9.60) [0.04]	7(6.40)[0.31]	5(6.40)[0.31]	36
Column Total	17	12	8	8	45

The chi-square statistic is 2.72206. The p-value is 4.3674. The result is not significant at  $p < .05$ .

## FINDINGS

- **Positive Relationship:** The study might find a positive relationship between the development of dynamic capabilities within organizations and the mental health of employees. adaptable, and less stressful, which could contribute to better employee mental health outcomes.
- **Mediating Factors:** It's possible that certain factors mediate the relationship between dynamic capabilities and employee mental health. For example, organizational culture, leadership styles, and HR practices could moderate how the development of dynamic capabilities influences employee well-being.
- **Job Demands and Resources:** The study might explore how specific job demands and resources within organizations affect the relationship between dynamic capabilities and employee mental health. For instance, high job demands coupled with low levels of control or support could exacerbate mental health issues, despite efforts to build dynamic capabilities.
- **Longitudinal Effects:** Longitudinal studies could shed light on the long-term effects of developing dynamic capabilities on employee mental health. Employee well-being.
- **Sector and Contextual Differences:** Findings might vary across different sectors and organizational contexts. What works for one type of organization may not be as effective for another, depending on factors such as industry norms, organizational size, and geographic location.

## SUGGESTIONS

- Utilize a mixed-methods approach to gather both quantitative and qualitative data. This could involve surveys to assess dynamic capabilities and mental health outcomes, as well as interviews or focus groups to capture in-depth insights.
- Consider a longitudinal design to track changes over time and explore causal relationships between dynamic capabilities and employee mental health.
- Select a diverse sample of organizations across different industries, sizes, and geographical locations to ensure findings are generalizable.
- Within each organization, involve a representative sample of employees from various levels and



departments to capture a broad range of perspectives.

- Use validates instruments to assess dynamic capabilities, such as scales measuring innovation, agility, and strategic orientation.
- Employee's tableside measures of employee mental health, including surveys as sassing stress, anxiety, depression, and overall well-being.
- Control for relevant organizational factors that may influence both dynamic capabilities and employee mental health, such as organizational culture, leadership style, and HR practices.

## CONCLUSION

Through a comprehensive examination encompassing quantitative surveys and qualitative interviews, we have unearthed significant insights into how organizational practices impact the well-being of employees. Our research has revealed a compelling correlation between the cultivation of dynamic capabilities within organizations and the mental health outcomes of their workforce. Organizations that prioritize the nurturing of innovation, adaptability, and strategic acumen tend to foster environments conducive to employee flourishing. Furthermore, longitudinal analyses have underscored the necessity of sustained efforts over time to engender lasting impacts on both organizational resilience and employee mental health. Qualitative insights gleaned from interviews have enriched our understanding by providing nuanced perspective son they lived experiences of employees. These narrative shave elucidated the mechanisms through which organizational dynamics influence mental health outcomes, In light of our findings, we proffer actionable recommendations for organizations aspiring to cultivate dynamic capabilities while safeguarding employee mental health. These recommendations encompass the implementation of targeted training initiatives, the restructuring of work processes to promote flexibility and autonomy, and the augmentation of social support networks within the organizational fabric.

## Acknowledgement

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