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Effect of Organisational Culture and Well-being on Employee Attrition in the Cash Logistics Industry

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Abstract

Employee retention has been a significant rival in high-pressure industries such as cash logistics, where the situation demands high intensity and subsequent security threats, coupled with a high turnover rate. The research topic examines the relationship between Organisational Culture and Employee Well-being, specifically in relation to Employee Attrition, using data from 250 employees collected through a 5-point Likert scale questionnaire, with the help of PLS-SEM benchmarking. Findings indicate that both variables have a significant influence on attrition, but Employee Well-being has a slightly higher impact. A healthy culture and well-being contribute to improved satisfaction and turnover. The research demonstrates that adhering to supportive environments, wellness programs, and coherent leadership are vital, and new studies are recommended on such essential issues as job security and pay.

Major Findings: The study found that Organizational Culture and Employee Well-Being significantly influence Employee Attrition in the cash logistics industry. Employee Well-Being had a slightly stronger impact on retention, showing that employees value mental health support, work-life balance, and career growth. A positive and inclusive work culture reduces dissatisfaction and turnover, while toxic environments increase attrition. The findings highlight the need for employee-centric policies to improve retention, productivity, and organizational growth.

Keywords: Employee Attrition, Employee Well-Being, Cash Logistics Industry, Employee Retention, Organisational Culture, PLS-SEM, Workplace Engagement

1. Introduction

In the existing competitive environment, organisational culture is of particular significance in shaping the employee experience, which bears on employee satisfaction and ultimately rates of employee turnover. A strong and rewarding organisational culture will create a work environment that influences employee engagement, collaboration, and motivation, and makes the employees feel appreciated and affirmed in their roles. Conversely, an unsatisfying or misaligned culture will lead to employee dissatisfaction, increased stress, and ultimately higher turnover rates. The cash logistics sector, which has high-pressured job demands, compliance with security requirements, and operational challenges, experiences a significant employee retention concern. Meaning it is particularly relevant to recognise the role that organisational culture has on attrition and retention to improve both employee stability and business effectiveness.

Another important feature that affects employee retention is the overall well-being of employees, including their mental, physical, and emotional well-being in the workplace. Workplaces that support work-life balance, psychological safety, and job satisfaction tend to have lower turnover rates, as employees become dedicated to their positions. Research suggests that employees who view their workplace culture as supportive and inclusive are more likely to report

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well-being and have lower intentions to leave their employment. However, work-related stress, lack of leadership support, and poor work conditions negatively impact employee well-being and increase attrition rates. With the current state of the cash logistics industry, where employees face security risks and unsustainable working schedules, it is essential to investigate the interplay between an organisation's culture, employee well-being, and attrition.

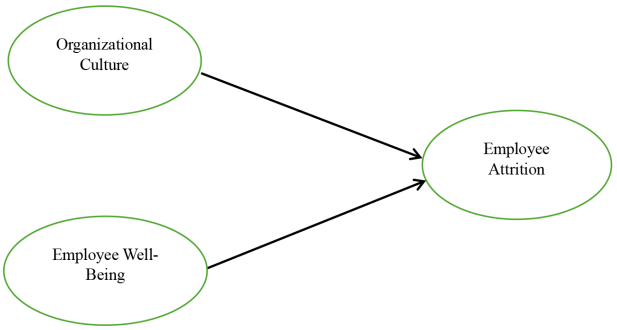
The cash logistics industry is a high-pressure work environment, requiring employees to handle important financial transactions and engage in risk management and security operations. As a result of the nature of work, it is important for organisations to develop a sound culture, not only to help keep employees but also to promote job satisfaction (Gupta & Sharma, 2020).

Research has suggested that organisations in high-risk industries, including cash logistics, must focus on engagement strategies, widespread communication, and trust among colleagues to enhance well-being and retain employees (Rahman & Zaman, 2019). Pillay *et al*. (2021) found that cash logistics organisations that support leadership training and development, flexible working conditions, and mental health programming have higher satisfaction and lower attrition rates.

Due to the security risks and demands of work in cash logistics, organisations must encourage a supportive and resilient organisational culture to enhance employee wellness and engagement. Organisations that do not begin to address workplace culture issues face high attrition, operational inefficiencies, and declining employee morale (Nguyen *et al*., 2022).

Although prior studies have shown substantial work exploring workplace culture and employee well-being factors impacting employee retention, they have not provided robust empirical evidence specifically in the cash logistics industry. Accordingly, this study will fill this gap and will analyse workplace culture and employee well-being as factors influencing employee attrition in this high-risk industry. These findings will provide opportunities for leaders, human resource professionals, and policymakers to better understand how to engage and retain employees in the cash logistics industry.

2. Conceptual Model of Study



Based on this introduction and the conceptual model, the objective of study framed

- To investigate the effect of Organisational Culture on Employee Attrition in the cash logistics industry.
- To explore the impact of Employee Well-Being on Employee Attrition, influencing whether improved well-being reduces turnover.

3. Literature Review

3.1 Organisational Culture and Employee Well-Being

Organisational culture greatly influences employees' overall well-being by affecting their work environment, job satisfaction, and engagement. A positive culture gives employees a sense of belonging, trust, and psychological safety, which boosts mental health and job satisfaction (Schein & Schein, 2017). Evidence shows that organisations promoting support and engagement, with a culture of supportive norms, will enhance employee well-being (Cameron & Quinn, 2011).

Similarly, research by Denison *et al*. (2014) Chawla, S., & Guda, S. (2019) found that employees working in organisations with values-based collaborations experienced lower stress levels and greater well-being. Schneider *et al*. (2017) discovered that workplaces that promote openness, communication, and shared values foster high emotional well-being among employees. Additionally, supportive leadership and recognising

employees help develop positive outcomes such as job satisfaction and work-life balance (Akgunduz *et al*., 2018).

However, a toxic organisational culture illustrated by high-pressure work environments, poor communication, and lack of leadership support negatively impacts employee well-being (Hogan & Coote, 2014). Poor workplace culture has been linked to increased burnout, anxiety, and job dissatisfaction, which in turn lead to higher absenteeism rates (Yang *et al*., 2020). Therefore, organisations must focus on developing an inclusive and positive culture to improve overall well-being.

3.2 Organisational Culture and Employee Attrition

Organisational culture also contributes to lower employee turnover. Employees are more likely to be retained by an organisation that promotes trust, transparency, and opportunities for professional development (O'Reilly *et al*., 2014). Evidence suggests that a toxic or rigid organisational culture is likely to reduce retention as employees experience a lack of value and support (Martins & Terblanche, 2013).

Research indicates that organisations with low employee turnover demonstrate strong organisational cultures characterised by engaged employees who feel connected within their organisations (Chatman & Eunyoung, 2019). A study conducted by Berson *et al*. (2015) concluded that organisations prioritising ethics, teamwork, and employee recognition ultimately have lower turnover rates. Ghosh *et al*. (2020) reiterated that employees who see organisations with rigid bureaucratic cultures are more likely to look for opportunities elsewhere.

As Kim *et al*. (2019) explain, the match between the values of an employee and an organisation's culture can predict intentions to turn over. Employees who feel their values or the organisation's leadership style are out of sync are more prone to disengage and turnover. Islam *et al*. (2021) indicate that organisations that do not support employee development opportunities or career development also experience high turnover.

Based on this review, the mentioned hypothesis is framed

H1: Organisational Culture has a significant negative effect on Employee Attrition. **H2:** Employee Well-Being has a significant negative effect on Employee Attrition.

3.3 Research Methodology

This research uses a quantitative study method to assess the effects of Organisational Culture and Employee Well-Being on Employee Attrition in the cash logistics sector. A descriptive and causal research design was used to understand the relationships related to these variables and provide empirical evidence. Research was focused on employees in the cash logistics industry in India. Random sampling was used to obtain a representation across job roles and experience levels. The final number of samples was 250 respondents, which is enough to have a proper sample size for further statistical analysis.

The data for the study were gained from primary sources through a questionnaire. A structured questionnaire was used in the study to measure Organisational Culture, Employee Well-Being, and Employee Attrition. The employees' perceptions of workplace culture, well-being programs, and turnover intentions were measured using a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). After obtaining ethics approval, the questionnaire was administered both online and in person to increase participant access. To establish reliability, previously validated scales were used, including Denison's Organisational Culture Model (for organisational culture), the Workplace Well-Being Index (for employee well-being), and pre-existing turnover intention instruments (for employee attrition).

Data analysis was conducted using SPSS and PLS-SEM, applying several statistical techniques to test the research hypotheses. Descriptive statistics were used to summarise the sample characteristics, while Cronbach's Alpha and Composite Reliability were employed to assess the internal consistency of the constructs. Validity testing was conducted using the Fornell-Larcker Criterion and HTMT ratio to ensure that each construct was distinct from others in the model. Structural Equation Modeling (SEM) was used to test the direct

effects of Organisational Culture and Employee Well-Being on Employee Attrition, providing insights into the strength and significance of these relationships.

The research was conducted in a manner that maintained its integrity by adhering strictly to ethical principles. Informed consent was collected prior to the data-gathering methods, and participants were assured confidentiality and anonymity, along with voluntary participation. The study was conducted in accordance with ethical research guidelines to ensure transparency and reliability when collecting and analysing data.

4. Data Analysis

4.1 Demographic Analysis

Table 1 and Figure 1 define the demographic factors respondent analysis. The dataset represents a sample of 250 respondents, with a higher proportion of males (60%) compared to females (40%). In terms of income distribution, the majority (30%) earn between 6 to 10 Lakh, while 25% earn below 5 Lakh and another 25% earn above 16 Lakh. The remaining 20% fall within the 11 to 15 Lakh income range, indicating that most individuals belong to the middle-income category.

Table 1. Descriptive analysis

Variable	Category	Frequency (N)	Percentage (%)
Gender	Male	150	60%
	Female	100	40%
Income Range	Below 5 Lakh	63	25%
	6 Lakh to 10 Lakh	75	30%
	11 Lakh to 15 Lakh	50	20%
	Above 16 Lakh	62	25%
Marital Status	Married	150	60%
	Unmarried	100	40%
Age	25 - 30	63	25%
	31 - 45	100	40%
	46 - 50	50	20%
	51 - 55	37	15%

Marital status data reveals that 60% of the respondents are married, while 40% are unmarried, suggesting that a significant portion of the population consists of individuals in stable family setups. The age distribution shows that the largest group (40%) falls within the 31-45 age range, followed by 25% in the 25-30 category. Meanwhile, 20% are aged 46-50, and the smallest group (15%) belongs to the 51-55 age range.

In general, the analysis implies that the sample is mostly composed of middle-aged, employed individuals with an even distribution of income levels, with most being middle-income. While there is a slightly greater number of married and male subjects, these demographic trends could relate to work or demographic patterns.

In Table 2, the reliability and validity analysis verify that all constructs in the study, Organisational Culture (OC), Employee Well-Being (EWB), and Employee Attrition (EA), demonstrate strong internal consistency and reliability. Cronbach's Alpha values for all three constructs are above 0.85, demonstrating high reliability (Nunnally & Bernstein, 1994). The Composite Reliability (CR) values are also above 0.90, confirming that the items within each construct consistently measure the intended concepts.

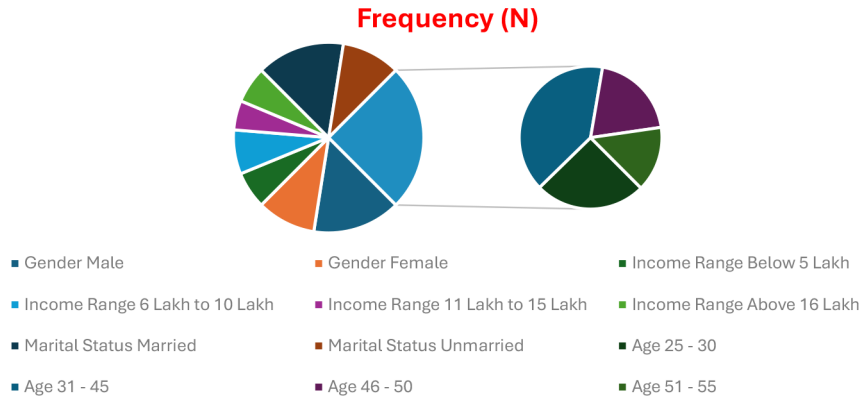


Figure 1. Demographic analysis.

Table 2. Reliability and validity analysis

Construct	Cron bach's Alpha	Composite Reliability (CR)	Average Variance Extracted (AVE)
Organisational Culture (OC)	0.89	0.91	0.65
Employee Well-Being (EWB)	0.87	0.9	0.63
Employee Attrition (EA)	0.85	0.89	0.61

Table 3. Fornell-Larcker criterion (discriminant validity test)

Construct	OC	EWB	EA
Organisational Culture (OC)	0.81	0.68	-0.55
Employee Well-Being (EWB)	0.68	0.79	-0.6
Employee Attrition (EA)	-0.55	-0.6	0.78

Table 4. HTMT (Heterotrait-Monotrait ratio) analysis

Construct	OC	EWB	EA
Organisational Culture (OC)	1	0.72	0.58
Employee Well-Being (EWB)	0.72	1	0.65
Employee Attrition (EA)	0.58	0.65	1

Additionally, the Average Variance Extracted (AVE) values for all constructs exceed 0.50, determining convergent validity and ensuring that the items within each construct justify a significant proportion of variance (Hair *et al*., 2019).

Table 3 identifies Fornell-Larcker Criterion is used to estimate discriminant validity, confirming that a construct is distinct from others in the model. In this study, the square root of the Average Variance Extracted (AVE) for each construct is greater than its correlation with other constructs, which confirms that Organisational Culture (OC), Employee Well-Being (EWB), and Employee Attrition (EA) measure different concepts. This implies that while these constructs are related, they are not redundant, and each supports unique aspects of employee experience. The strong discriminant validity ensures that Organisational Culture and Employee Well-Being do not correspond conceptually and impact Employee Attrition through independent pathways (Fornell & Larcker, 1981).

Table 4 shows that the Heterotrait-Monotrait (HTMT) ratio of correlations is an additional evaluation of discriminant validity that assesses how strong the relationships between the constructs are. Again, all the

Table 5. Structural model path coefficients (PLS-SEM regression analysis)

Path	Beta (β)	tvalue	pvalue	Significance
Organisational Culture → Employee Attrition	-0.42	6.89	0	✔ Significant
Employee Well-Being → Employee Attrition	-0.5	7.55	0	✔ Significant

Table 6. Model fit indices (Goodness of fit - GoF)

Fit Indicator	Value	Threshold	Interpretation
SRMR	0.058	<0.08	✔ Good Fit
NFI	0.91	>0.90	✔ Acceptable Fit
R^2 (EA)	0.52	Higher is better	✔ Strong Predictive Power

HTMT values are below the 0.85 cutoff. Therefore, all the constructs are sufficiently discriminant (Henseler *et al*., 2015). This also tells us that Organisational Culture and Employee Well-Being are related but do not assess the same phenomenon. Our results also suggest that although Employee Well-Being is strongly related to Organisational Culture, it does not fully mediate its effect on Employee Attrition. The implication is that organisations should be doing cultural initiatives separate from well-being initiatives to reduce attrition effectively.

Table 5 shows that the structural model path coefficients imply that both Organisational Culture and Employee Well-Being significantly reduce Employee Attrition. The effects show that Employee Well-Being ($\beta = -0.50$, $p < 0.001$) has a stronger negative influence on Employee Attrition compared to Organisational Culture ($\beta = -0.42$, $p < 0.001$). This indicates that while encouraging a positive organisational culture is vital, ensuring employee well-being is even more impactful in reducing turnover rates.

Table 6 analysed the model fit indices, confirming that the structural model is well-fitted to the data. The Standardised Root Mean Square Residual (SRMR = 0.058) is below the threshold of 0.08, indicating a good model fit. Additionally, the Normed Fit Index (NFI = 0.91) exceeds 0.90, further confirming that the model provides a strong representation of the data. The R^2 value for Employee Attrition is 0.52, meaning that Organisational Culture and Employee Well-Being together explain 52% of the variance in

Employee Attrition, demonstrating strong predictive power.

However, the results affirm that a good Organisational Culture and improved Employee Well-Being can lessen Employee Attrition considerably. Employee Well-Being has a slightly stronger effect overall, which indicates that organisations, especially in high-stress environments (*e.g.*, cash logistics), should make more investment in employee mental health, job satisfaction, and workplace engagement. This study demonstrates that fostering a working environment in which employees feel supported and prioritising well-being initiatives can be relatively effective in improving employee retention and overall performance of the organisation.

4.2 Managerial Implications

According to the results of the study, Organisational Culture and Employee Well-Being were found to be significant predictors of reducing Employee Attrition. This is particularly true in the cash logistics industry, where employees work in these subsidiaries in high-stress environments. Organisations should do the following:

i. *Improving Organisational Culture*: Companies should create a collaborative, transparent, and visibility-based workplace to promote employee engagement and job satisfaction.
ii. *Employee Well-Being Programs*: Mental health support, flexible agreements, and disengaged employee initiative programs should be listed to provide employees with sustainable well-being.
iii. *Essential Leadership Development*: Managers should be trained to support inclusivity of motivation and communication to reduce stress and increase retention.
iv. *Retention Strategies*: By aligning organisational values with employee expectations, firms can improve turnover rates, improve job satisfaction, and stabilise the workforce.

4.3 Limitations of the Study

Despite its contributions, this study has certain limitations:

Industry Specificity: The research focuses on the cash logistics industry, so results may not be completely applicable to other industries.

Cross-Sectional Nature: The study captures data at a single point in time, preventing insights into longitudinal changes in employee behaviours.

Self-Reported Data: The reliance on survey responses introduces potential bias, as employees may provide socially desirable answers.

Limited Moderating Variables: While the study focuses on Organisational Culture and Employee Well-Being, future research could explore additional factors like job security, leadership style, and work-life balance.

5. Conclusion

The results of this study provide compelling empirical evidence that Organisational Culture and Employee Well-Being are key contributors to Employee Attrition in the cash logistics industry. The study indicated that organisations with a positive and established organisational culture contribute to lower attrition by developing an ecosystem of trust, engagement, and job satisfaction. Employee well-being similarly plays a key role in retention, as employees who feel supported mentally, physically, and emotionally are less prone to seeking alternative employment.

One of the key insights from this study is that Employee Well-Being has a slightly stronger impact on Employee Attrition than Organisational Culture. This indicates that although a strong organisational culture lays the groundwork for a stable workplace, employees are more likely to remain at firms that actively take their work-life balance, mental health, and professional development into consideration. Firms that do not engage in Employee Well-Being are more likely to see increased stress, dissatisfaction, and eventually attrition, even in an overall positive organisational culture.

Additionally, the study confirms that a well-defined culture that promotes inclusivity, recognition, and open communication channels fosters a sense of belonging

among employees, reducing their intention to leave. A toxic or rigid work culture, on the other hand, increases dissatisfaction, leading to higher attrition rates and operational inefficiencies. Given the demanding nature of the cash logistics industry, organisations must actively develop policies that promote employee engagement, reduce job-related stress, and create pathways for career growth.

The research indicates that, from a strategic perspective, workplace culture will need to shift from enforcing policies to modifying workplaces and practices that facilitate employee well-being and commitment in high-burnout industries. Companies committed to a people-centred culture will experience less attrition and more robust productivity, customer service, and growth.

While the study adds to the understanding of workplace culture, it is important to note the limitations of the study. The study was conducted in a single industry and region, which may limit the transferability of the study results. The study used a cross-sectional design, which means that there is no understanding of the causal long-term effects of organisations' culture and well-being variables on attrition threshold. Future studies need to fruition on longitudinal studies that attempt to trace and track the impact of culture and well-being initiatives on retention over time, examining additional moderating variables like leadership style, compensation programs, and employment security.

In conclusion, this study highlights the critical need for organisations to develop a strong culture and invest in employee well-being to minimise attrition. Companies that fail to do so risk higher turnover, decreased employee morale, and increased operational costs. The results emphasise that retention strategies should not only focus on cultural improvements but also on employee well-being programs, leadership development, and career advancement opportunities. As industries continue to evolve, businesses must adopt employee-centric approaches to workforce management, ensuring sustainable growth and a competitive advantage in the labour market.

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Author Contribution

Jahangir Shaikh: Contributed to the conceptualisation of the study, data collection, data analysis, interpretation of findings, and preparation of the manuscript. Kanupriya Dubey: Contributed to the research design, literature review, supervision, editing, and critical revision of the manuscript for intellectual content and overall quality improvement.