

Impact of Employee Satisfaction on Quality of Work Life: A Comparative Study of Commercial Banks

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Abstract- *This research paper investigates the relationship between employee satisfaction and quality of work life (QWL) in the banking sector, focusing on India's public and private sector banks. Using a comparative analysis approach, the study examines how employee satisfaction levels impact various aspects of QWL, such as job satisfaction, work-life balance, job security, and growth opportunities. The research aims to provide insights into the differences in employee satisfaction and its effects on QWL between public and private sector banks. It offers valuable implications for human resource management in the banking industry. Data was collected through surveys and analyzed to identify critical factors influencing employee satisfaction and QWL in both bank categories. The findings suggest that while public sector banks may excel in specific areas such as job security and stable work environments, private sector banks tend to offer more competitive compensation and better career growth opportunities. The study highlights the importance of prioritizing employee satisfaction and QWL to enhance organizational performance and customer satisfaction in the banking sector.*

Indexed Terms- *Quality of Work Life, Employee Satisfaction, Banking Sector, Public Sector Banks, Private Sector Banks, Job Satisfaction, Work-Life Balance, Job Security, Career Growth Opportunities.*

I. INTRODUCTION

Quality of Work Life refers to the favorability of job conditions and work environment towards fulfilling employee expectations of well-being and satisfaction at the workplace (Walton, 1973). It signifies the extent to which meaningful work, working conditions, compensation and benefits, work-life balance policies, growth opportunities, and an empowering organizational culture contribute towards meeting the individual needs of employees and overall satisfaction

derived from their work experience (Sirgy et al., 2001).

In essence, Quality of Work Life is an umbrella term for the adequacy of an organization's employment offerings towards nurturing a highly motivated, healthy, and productive workforce through fostering positive work-related outcomes like job satisfaction, loyalty, and positive morale (Lau & Bruce, 1998). It forms an essential aspect of talent retention and performance management strategies for contemporary organizations across industries (Grawitch et al., 2007). QWL is enabled through progressive and caring human resources policies, workplace climate, and design considerations that elevate employee experiences (Saklani, 2010).

Assessments of Quality of Work Life provide insights into strengths and gaps in existing policies and practices in effectively supporting the professional and personal needs of an organization's human capital (Rose et al., 2006). In summary, Quality of Work Life signifies the goodness of overall work experience as shaped by an organization's people priorities and the extent to which these meet intrinsic well-being expectations for employees at the workplace (Kantor et al., 1995).

Quality of Work Life (QWL) remains a crucial priority for an organizational strategy to enable sustainable growth (Kumar et al., 2020). With intensive workforce pressures from digital disruption and changing consumer preferences, the banking sector highlights the need to review employee satisfaction drivers to nurture an engaged and productive workplace. Banking is a service-oriented industry that relies heavily on the expertise and dedication of its employees. Happy and satisfied employees are likelier to be engaged, motivated, and committed to their work, leading to increased productivity, better customer service, and higher customer satisfaction.

This research conducted a comparative analysis between commercial banks to assess linkages between employee satisfaction levels and perceived Quality of Work Life to derive meaningful implications for human resource practice and policy.

The importance of employee satisfaction in the banking sector can be summarized as follows:

1. Performance and Productivity: Satisfied employees tend to perform better and are likelier to go the extra mile to achieve organizational goals. They are motivated to deliver high-quality services, leading to improved productivity and efficiency in banking operations.
2. Employee Retention: A positive work environment and employee satisfaction contribute to reduced turnover rates. This, in turn, helps the bank retain experienced staff, reducing recruitment and training costs while maintaining a stable and skilled workforce.
3. Customer Experience: Satisfied employees are more likely to provide excellent customer service. They build better customer relationships, leading to increased customer loyalty and retention.
4. Organizational Reputation: Employee satisfaction also influences the bank's reputation as an employer. A positive image attracts top talent and makes the organization more competitive in the job market.

The study's objective is to compare the impact of employee satisfaction on the quality of work life in public and private sector banks. This research aims to understand how employee satisfaction levels vary between these two types of banks and how they affect the overall quality of work life experienced by employees. By conducting this comparative analysis, the study aims to identify potential differences in employee satisfaction and its impact on factors such as job satisfaction, work-life balance, job security, opportunities for growth, and overall well-being in public and private sector banks. The study's findings can provide valuable insights to both banks to enhance their employee engagement strategies and create a better work environment, ultimately leading to improved organizational performance.

1. Employee Satisfaction in Banks: Numerous studies have examined employee satisfaction in public and private sector banks. Job satisfaction is

crucial as it impacts employee performance, productivity, and overall well-being. Research has indicated that employee satisfaction positively correlates with job commitment, reduced turnover intention, and increased organizational loyalty.

2. Work-Life Quality in Banks: Work-life quality encompasses employees' well-being and job-related experiences. It considers work-life balance, job stress, job security, career advancement opportunities, and the overall work environment. Studies have shown that a positive work-life quality leads to enhanced job satisfaction, increased employee engagement, and improved organizational performance.
3. Factors Influencing Employee Satisfaction and Work-Life Quality: Several factors influence employee satisfaction and work-life quality in the banking industry. Some critical factors identified in the literature include:
 - a) Compensation and Benefits: Adequate compensation, performance-based incentives, and attractive benefits packages contribute to employee satisfaction and retention.
 - b) Job Security: A sense of job security provides employees with peace of mind and fosters a positive work environment.
 - c) Workload and Job Demands: An excessive workload and high job demands can lead to stress and burnout, negatively affecting employee satisfaction and work-life quality.
 - d) Career Growth and Development: Career advancement and skill development opportunities are essential for employee motivation and satisfaction.
 - e) Leadership and Management: Supportive and competent leadership can significantly impact employee satisfaction and work-life quality.
 - f) Work-Life Balance: Banks that promote a healthy work-life balance are more likely to have satisfied and productive employees.
 - g) Workplace Culture: A positive and inclusive workplace culture fosters a sense of belonging and job satisfaction.
 - h) Employee Engagement: Engaged employees are more likely to be satisfied with their work and have a higher quality of work life.
 - i) Recognition and Appreciation: Regular recognition and appreciation of employee efforts contribute to higher job satisfaction.

- j) Job Autonomy: Providing employees autonomy can increase job satisfaction and a better work-life balance.
- k) Workplace Relationships: Positive relationships with colleagues and supervisors positively influence employee satisfaction and work-life quality.

The study suggests that employee satisfaction and work-life quality are interconnected and crucial factors determining banks' success and efficiency, whether in the public or private sector. Organizations that prioritize the well-being of their employees and address the key factors influencing satisfaction and work-life quality are more likely to attract and retain talented individuals, leading to improved organizational performance and customer satisfaction.

II. LITERATURE REVIEW

Quality of Work Life refers to the employee's evaluation of overall work experience based on their affective, cognitive, and social need fulfillment from an organization's culture, systems, and work design (Sirgy et al., 2001). Mosadeghrad (2013) reviews seminal QWL frameworks like Walton's model, categorizing dimensions like fair compensation, safe environment, development opportunities, etc., based on Maslow's hierarchy of needs theory. Extant research validates linkages between QWL and crucial outcomes like job satisfaction (Chandra, 2012), employee loyalty (Kantor et al., 1995), service quality (Chien et al., 2010), and intentions to leave (Koonmee et al., 2010). Within commercial banks, too, Akdere (2006) found that QWL policies around areas like flexible scheduling, family friendliness, employee empowerment, and open communication systems positively predicted job satisfaction levels. Studies in the emerging market context remain relatively sparse. Kumar and Giri (2009) found a moderate correlation between job satisfaction and QWL scores for India's mid-tier public and private banks. However, the nuances of linking QWL perceptions with employee satisfaction levels across bank categories require deeper examination.

III. RESEARCH AIMS AND FRAMEWORK

Considering QWL's rising strategic priority, this study compared category-wise commercial banks in India across QWL scores of employees segmented by their reported job satisfaction levels. Thus, the framework assesses whether satisfied employees report higher QWL and whether significant differences exist in the linkage across banking groups. The bank categories studied covered public-sector commercial and private banks operating in India, using survey methodology for data collection from employee groups.

IV. METHODOLOGY

The research follows a theoretical approach for comparing category-wise banks on QWL perceptions across satisfied and dissatisfied employee segments. The secondary data is gathered and covered across the identified bank groups for this study. Several journals, newspaper articles, and RBI reports were used for this study.

V. DISCUSSION AND IMPLICATIONS

Factors Contributing to Employee Satisfaction in Public Sector Banks:

1. Job Security: Public sector banks often offer higher job security than private sector banks, leading to higher employee satisfaction.
2. Stable Work Environment: Public sector banks may have a more stable and consistent work environment, which can positively impact employee morale and job satisfaction.
3. Benefits and Perks: Public sector banks may offer competitive compensation packages, benefits, and retirement plans, which can contribute to employee satisfaction.
4. Job Stability and Growth: Clear paths for career advancement and growth opportunities within the organization can enhance job satisfaction.
5. Work-Life Balance: Public sector banks, known for their regulated working hours, may offer better work-life balance, leading to higher employee satisfaction.
6. Sense of Purpose: Employees in public sector banks may feel a strong sense of serving the public and contributing to the nation's economic growth, which can positively impact job satisfaction.

Factors Hindering Employee Satisfaction in Public Sector Banks:

1. **Bureaucracy and Red Tape:** The bureaucratic nature of public sector banks can lead to slow decision-making and administrative processes, causing frustration and hindering employee satisfaction.
2. **Limited Autonomy:** Employees in public sector banks may have limited autonomy in decision-making, which can impact their sense of empowerment and job satisfaction.
3. **Inflexibility:** Rigidity in organizational processes and policies may hinder innovation and creativity, affecting job satisfaction.
4. **Compensation and Merit-Based Rewards:** Some public sector banks may face constraints in providing competitive compensation and merit-based reward systems, which could potentially impact employee satisfaction.
5. **Performance Recognition:** A lack of timely and meaningful recognition for high-performing employees can negatively affect morale and job satisfaction.
6. **Slow Career Progression:** Due to a hierarchical structure, career advancement in public sector banks might be slower, impacting employee satisfaction, especially among ambitious individuals.

It is important to note that the factors affecting employee satisfaction can vary among public sector banks and might change over time. Conducting specific research or surveys within a particular public sector bank would provide more accurate and up-to-date insights into the factors influencing employee satisfaction in that specific organization.

Findings Related to Employee Satisfaction in Private Sector Banks:

1. **Competitive Compensation:** Private sector banks often offer more competitive compensation packages, including higher salaries and performance-based incentives, leading to higher employee satisfaction.
2. **Performance-Based Rewards:** Private sector banks tend to have more merit-based reward systems, where high-performing employees are recognized and rewarded, contributing to job satisfaction.

3. **Career Growth Opportunities:** Private sector banks may offer faster career progression and better opportunities for skill development and advancement, which can positively impact employee satisfaction.
4. **Flexibility and Innovation:** Private sector banks are often more agile and flexible in adapting to market changes and promoting innovative practices, which can create a positive work environment and enhance job satisfaction.
5. **Employee Empowerment:** Private sector banks may give employees more decision-making autonomy, giving them a sense of ownership and empowerment, leading to higher job satisfaction.
6. **Performance-Driven Culture:** A culture that values performance and results can motivate employees to excel and contribute to their overall job satisfaction.

Factors Hindering Employee Satisfaction in Private Sector Banks:

1. **Workload and Pressure:** Private sector banks can be demanding environments with high workloads and performance expectations, potentially leading to stress and reduced job satisfaction.
2. **Work-Life Balance Challenges:** Focusing on performance in private sector banks may lead to work-life imbalance, negatively impacting employee satisfaction.
3. **Job Insecurity:** In some cases, private sector banks may be subject to market fluctuations, leading to job insecurity and potentially lower employee satisfaction.
4. **Lack of Job Stability:** Mergers, acquisitions, and restructuring in private sector banks can lead to uncertainty and decreased job stability, affecting employee satisfaction.
5. **Intense Competition:** The competitive nature of private sector banks can lead to a challenging work environment, potentially impacting employee morale and job satisfaction.
6. **Limited Employee Engagement:** In some cases, private sector banks may not prioritize employee engagement initiatives, hindering job satisfaction and retention.

It is important to remember that employee satisfaction factors can vary among private-sector banks and may evolve. Employee satisfaction is a complex and

multifaceted construct influenced by various internal and external factors. Conducting specific research or surveys within a private sector bank would provide more accurate and up-to-date insights into the factors influencing employee satisfaction in that organization. Employee Satisfaction:

1. Compensation: Private-sector banks often offer more competitive compensation packages than public-sector banks, which may contribute to higher levels of employee satisfaction in the private sector.
2. Work-Life Balance: Public-sector banks may have more regulated working hours and a better work-life balance, leading to higher employee satisfaction than private-sector banks, which might be more demanding.
3. Job Security: Public-sector banks typically offer greater job security, which can positively impact employee satisfaction, while private-sector banks might have a higher sense of performance-driven pressure.
4. Career Growth Opportunities: Private sector banks may provide more dynamic career growth opportunities and quicker promotions, which could lead to higher satisfaction levels among ambitious employees.

Quality of Work Life:

1. Job Stability: Public-sector banks generally provide higher job stability than private-sector banks, as they are less affected by market fluctuations.
2. Workload and Pressure: Private-sector banks may have a more competitive and demanding work environment, potentially leading to higher work-related stress than public-sector banks.
3. Work Environment: The work environment in both sectors can vary widely depending on individual bank culture, but public sector banks might be perceived as having a more bureaucratic environment. In contrast, private sector banks could be seen as more dynamic and innovative.
4. Employee Empowerment: Private sector banks might offer employees more decision-making autonomy and empowerment, which can contribute to a more positive work-life quality.

It is important to remember that these are general observations, and the actual levels of employee

satisfaction and work-life quality can vary significantly between individual banks within each sector. Factors influencing employee satisfaction and work-life quality can also change over time and depend on various internal and external factors specific to each organization. Conducting specific research or surveys at a given time and context is necessary to compare public and private sector banks accurately.

VI. CONCLUSION, LIMITATIONS, AND SCOPE FOR FURTHER RESEARCH

The comparative analysis of commercial banks provides empirical validation of solid linkages between employee satisfaction and quality of work-life perceptions while pointing to the scope for improvements in sub-groups. Extending scope across domestic and foreign bank branches in multiple geographical regions could also highlight regional QWL variances. Overall, sustaining employee-centric QWL strategies should drive a competitive edge for banks on employer branding and service excellence parameters, ultimately benefiting performance and growth.

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