

## Impact of Quality of Work Life on Employee Commitment in the Indian Banking Sector with Special Reference to Public Sector Banks

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### Abstract

The success of organizations hinges on the dedication and involvement of their employees in their work, as well as their overall attitude towards their professional lives. Work occupies a significant portion of our daily existence, with individuals spending an average of twelve hours each day at their jobs. This study endeavours to examine the "Quality of Work Life among bank employees," with a particular focus on the Indian banking sector, and more specifically, public sector banks. The paper has adopted a qualitative descriptive research methodology to review the various literature findings to analyse the various dimensions of QWL which leads to employee commitment in public sector banks. Hence, the research aims to offer valuable insights into the dynamics of employee commitment about their work-life quality, with the future scope of informing strategies and interventions that can further enhance both employee commitment and organizational success in this critical sector of the Indian economy.

**Keywords:** *Quality of Work Life, Employee Commitment, Indian Banking Sector, Public Sector Banks*

### Introduction

In the bustling corridors of India's banking sector, where financial transactions intersect with human aspirations, the study of work-life balance's impact on employee commitment becomes an essential exploration into the equilibrium between professional dedication and personal fulfilment.

Quality of Work Life (QWL) encompasses key elements that impact an individual's well-being at work, including the nature of tasks, the physical and social work environment, administrative systems, and the balance between work and personal life. QWL involves opportunities for active participation in group activities and collaborative problem-solving, fostering mutual benefits for both employees and employers. Methods like autonomous work groups, job enrichment, and high-involvement practices are used to enhance job satisfaction and productivity. Hence, the concept of Quality of Work Life (QWL) is rooted in the understanding that when employees experience a higher quality of work life, it has a profound impact on their engagement, commitment, motivation, job performance, and overall job satisfaction.

In India, Quality of Work Life (QWL) is regarded as a valuable framework and a tool for driving organizational change, ultimately leading to enhanced effectiveness at the micro-entity level by tapping into and developing the potential of its workforce.

A survey conducted in the Indian banking sector, with a focus on public sector banks, yielded insightful findings regarding Quality of Work Life (QWL) and its influence on employee commitment. It revealed that 39% of respondents spend 4-6 hours, and 17% dedicate more than 6 hours daily to their families, highlighting a potentially positive aspect of work-life balance. However, a 2003 study suggested that employees tend to be preoccupied with work, even during personal time, inhibiting meaningful engagement with their loved ones. However, modern work's cognitive demands can intrude into personal life. Moreover, 59.1% of participants strongly believed that work-life balance enhances job performance. Additionally, 43.6% expressed strong agreement with the importance of bank policies supporting work-life balance, while only 0.3% strongly disagreed (Aboobaker & Edward, 2019).

Furthermore, according to Aruldoss et al. (2020), Employee engagement is the emotional and psychological connection that employees have with their work and organization. It involves active involvement in achieving the organization's goals. The employee engagement further leads to employee commitment, employee commitment is the dedication and loyalty an employee exhibits toward their tasks and the organization. It is influenced by the satisfaction an employee derives from their workplace Toffoletti & Starr, 2016). Hence it could be construed that, Employee engagement serves as a catalyst for employee commitment. Engaged employees, emotionally connected and going beyond their basic roles, naturally develop strong loyalty and dedication to the organization. This mutual reinforcement between engagement and commitment is the key to a thriving workforce.

Today, "quality" is no longer a specialized concept; it is a fundamental requirement for survival. In this era, the quality of human contributions is the most significant asset for any organization. Ensuring the high quality of these human inputs is akin to safeguarding the quality of work life. A perfect quality of work life is not only beneficial for employees' well-being but also for the overall health of the organization. It represents an effort to capitalize on the organization's human assets. In essence, organizations are increasingly recognizing that nurturing a high-quality work life is essential for harnessing their human potential and achieving sustained success.

Hence, this research aims to investigate and understand the impact of the quality of work life (QWL) on employee commitment within the Indian banking sector, with a specific focus on public sector banks. So, the research has the following objectives:

- To assess and describe the importance of Quality of Work Life (QWL) as perceived by employees in public sector banks in India.
- To analyze the impact of QWL balance on the employee's commitment in Indian Banking sectors.

## Literature review

### 1. Importance of Quality Work Life

Quality of work life (QWL) encompasses the favourability or unfavourability of the overall work environment for employees. QWL programs in organizations aim to enrich jobs and create a work environment that is conducive to both employees and the economic health of the organization (Aboobaker & Edward, 2019). This includes various aspects of work-related life such as wages, working hours, the work environment, benefits, career prospects, and human relations, all of which are closely related to worker satisfaction and motivation. Given that individuals spend a significant portion of their lives in workplaces, enhancing QWL is imperative.

According to Aruldoss et al. (2020), QWL plays a vital role in preserving human values that might have been overshadowed by technological and economic growth. Additionally, he identified equitable wages, growth opportunities, and a safe working environment as fundamental components of a good quality of work life. QWL encompasses two perspectives: work-related factors, including relationships with colleagues and financial benefits, and life-related factors, such as overall life satisfaction and well-being (Aruldoss et al., 2020).

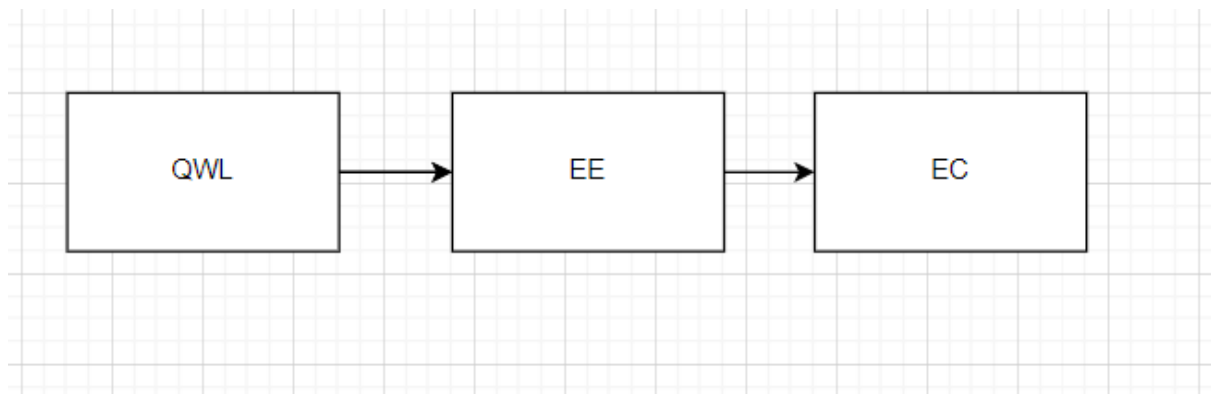
Sahni (2019) has highlighted that the focus on QWL has led to the identification of aspects of jobs and work environments that significantly impact job satisfaction, job performance, and the lifelong well-being of employees. The success of quality initiatives in American firms depends on comprehending the philosophical and psychological needs of employees. Motivation is a central aspect, encompassing various extrinsic and intrinsic motivators and human needs.

In summary, QWL represents a multidimensional approach to enhancing the quality of life for employees within an organization, drawing upon the understanding of their needs, motivations, and the dynamics of the work environment.

### 2. Impact of QWL on employees' Commitment

According to Sahni (2019), employee commitment is a pivotal aspect of an organization, significantly impacting turnover intentions and the Quality of Work Life (QWL). Committed employees tend to be high performers and harbour a positive attitude toward their workplace. To address organizational challenges such as high turnover rates and low job satisfaction, employee engagement has emerged as a strategic response. Engaged employees contribute significantly to an organization's success, displaying higher productivity and proactive citizenship behaviour (Toffoletti & Starr, 2016). Conversely, disengaged employees can detrimentally affect productivity and overall organizational performance.

Hence From the above discussion, it could be construed that a QWL ensure that employees are more engaged in their work which leads to the employee's commitment. Hence the relationship between these three factors could be established as follows:



**Figure 1.1: Relationship Between EE, QWL and EC**

**Research Methodology**

The research employs a qualitative descriptive approach, focusing on an extensive review of existing literature concerning employee commitment, Quality of Work Life (QWL), and employee engagement within the Indian banking sector, particularly public sector banks. This methodology involves systematic literature review, data collection from academic articles, reports, surveys, and case studies. Thematic analysis is used to identify recurring themes, patterns, and relationships. The research aims to establish a strong foundation by drawing insights from prior studies, providing a comprehensive exploration of QWL's impact on employee commitment and the role of employee engagement in this context.

**Discussion & Conclusion**

The discourse surrounding the Quality of Work Life (QWL) and its influence on the employment commitment of public sector employees has been a central theme within human resource theories. However, this concept has not been without its critiques, particularly concerning the prominence of job security as the primary factor affecting employee commitment, potentially posing challenges to overall productivity.

In this context, we present the findings of a survey conducted among employees in four major public sector banks: State Bank of India (SBI), Punjab National Bank (PNB), Canara Bank, and Bank of Baroda. The survey utilized a rating scale ranging from 1 (Low) to 5 (High) to assess various aspects of Quality of Work Life, including Employee Satisfaction, Work-Life Balance, Job Security, and Employee Engagement. These factors were further analyzed to categorize Employee Commitment as High, Medium, or Low.

The survey results from these major public sector banks, focusing on QWL and Employee Engagement (EE), provide valuable insights into the relationship between these factors. These findings serve as a significant resource for organizations and researchers in understanding the dynamics of QWL and its implications for employee commitment. (Source: McKinsey, 2022)

Table 1.1: QWL & EC relation for public sector banks ( Source: McKinsey, 2020)

Bank Name	Employee Satisfaction (QWL Survey)	Work-Life Balance (QWL Survey)	Job Security (QWL Survey)	Employee Engagement (QWL Survey)	Employee Commitment (High/Medium/Low)
SBI	4.4	4.6	4.7	4.3	High
PNB	3.8	4.0	4.1	3.7	Medium
Canara	4.2	4.5	4.6	4.4	High

Bank Name	Employee Satisfaction (QWL Survey)	Work-Life Balance (QWL Survey)	Job Security (QWL Survey)	Employee Engagement (QWL Survey)	Employee Commitment (High/Medium/Low)
Bank of Baroda	4.0	4.2	4.3	4.1	Medium

The dimensions of Quality of Work Life (QWL) play a pivotal role in shaping employee commitment within an organization. Fair pay, which encompasses job ranking and classification based on responsibilities and skills, establishes a sense of equity and fairness among employees. When employees perceive their compensation as just, it fosters commitment. For instance, studies by Allam and Shaik (2020) have highlighted the positive correlation between fair compensation systems and employee commitment.

Safe working conditions, both in terms of physical and psychological security, are equally influential. A physically safe work environment not only ensures employees' well-being but also cultivates a sense of security, thereby enhancing commitment. On the other hand, a psychologically safe workplace, where employees feel comfortable expressing themselves and taking risks, leads to greater engagement and commitment, as indicated by research from Aruldoss et al. (2020).

Social integration within the work organization, emphasizing factors like equality and support, fosters a sense of belonging and commitment. When employees perceive an organization as fair and supportive, they are more likely to feel committed. Studies by Dhamija et al. (2019) underline the positive correlation between supportive workplace relationships and employee commitment.

Work-life balance, represented by factors such as work schedules and career demands, also significantly influences commitment. Flexible work schedules that accommodate personal needs contribute to reduced work-related stress, ultimately leading to increased employee commitment. Additionally, aligning career demands with employees' personal goals creates a more committed workforce, as evidenced by research by Sahni (2019).

The social relevance of work-life, encompassing self-esteem and well-being, is another critical dimension. Work that enhances an employee's self-esteem and self-worth fosters pride and commitment. Moreover, focusing on employee well-being, including physical and mental health, leads to greater commitment, as employees feel valued (Sindhuja & Sekar Subramanian, 2020).

Constitutionalism, which includes aspects like privacy and equity, plays a vital role in building trust, a fundamental element of commitment. Respecting employees' privacy rights and ensuring equity in organizational policies and practices fosters a sense of fairness and commitment, as highlighted by Salman et al. (2020). Lastly, opportunities for growth and security, specifically through professional learning and skill development, enhance commitment by aligning with employees' career aspirations. Skill development programs contribute to employees' sense of competence and commitment, ultimately benefitting the organization (Toffoletti & Starr, 2016).

In summary, the impact of QWL on employee commitment within public sector banks in India is a complex yet crucial relationship. While the unique benefits and stability associated with these banks contribute significantly to commitment, ongoing efforts to streamline processes and promote a positive work culture are essential to ensure that employees remain engaged, motivated, and committed to their roles in serving the nation's financial needs.

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