



AN EMPIRICAL STUDY OF THE PREDICTORS OF QUALITY OF WORK LIFE IN INDIAN BANKING INDUSTRY

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ABSTRACT

The present paper is an endeavor to identify the significant factors existing in the current organizational climate that influence the employees' perception regarding quality of work life (QWL) in Indian banking industry by applying Confirmatory Factor Analysis (CFA) on a representative sample of 596 bank employees. The results of the CFA revealed that all the 8 factors related to QWL analyzed in present study were significantly influenced QWL. Further, it was found that SHWC as the most significant factor because overall QWL accounts for 95 per cent of variance in this factor (SHWC) followed by SR (83.5), AFC (80.9), CIWE (0.806), OCG (62.7), SI (60.8) WLB (58.3), ODHC (57.8) respectively. Hence, the results of CFA revealed that the model of 'QWL' based on 'Walton's criteria of QWL' found to be fit to measure the level of QWL and to explore significant factors in Indian public and private sector banks and banking industry in general.

KEYWORDS : Quality of Work Life, CFA, Measurement, Convergent and Discriminant validity.

INTRODUCTION

As the compositions of work force continue to change, organizations focused on Quality of Work Life (QWL) of the employees are expected to gain leverage in retaining valuable human resources in the organisation. The satisfaction of the employees and the Quality of Work Life (QWL) directly affect the ability of organizations to properly serve its customers and meeting its objectives. QWL is a key matter for the employees and how organizations deal with this issue is both of practical and academic significance. Rose et al., (2006) opined that QWL is a philosophy or a set of principles, which holds that people working in the organisation are trustworthy, responsible, and capable of making a valuable contribution to the organization. The term 'Quality of Work Life' appeared in research journals and press in USA only in 1970's and further it was introduced by Louis Davis in first international conference on QWL held in Toronto in 1972. The international council for quality of work life was established in 1972. In India, QWL deals a value frame and the social technology of organizational change leading to task effectiveness of the entities through utilization and unfolding of human potential.

Dimensions of QWL

Walton (1973) advocated an ideal QWL program which include various practices in eight major areas are given below;

1. Adequate and fair compensation (AFC)
2. Safe and healthy working conditions (SHWC)
3. Opportunities to develop human capacities (ODHC)
4. Opportunities for continued growth and security (OCG)
5. Social integration in the work organization (SI)
6. Constitutionalism in the work Environment (CIWE)
7. Work-Life Balance (WLB)
8. The social relevance of work life (SR)

Review of Literature

In early twentieth century, various legislations passed to eradicate harmful working conditions and further the unionization movement in the 1930's and 1940's were the primary steps in this direction; in 1950's and the 1960's (Cummings and Worley 2005, and Rose et al., 2006) various theories were advocated proposing a positive relationship between productivity and morale. Finally, in the 1970's the idea of QWL was conceived which according to Walton, is comprehensive than these earlier developments. Serey (2006) and Gupta, Meenakshi and Sharma, Vikas (2009) observed career growth opportunity as a crucial factor determining constructs of QWL; Mirvis and Lawler (1984), explicated that working hours, satisfaction with pay, safe working conditions, equal employment opportunities and opportunities for advancement and career growth enhanced QWL; Bhatt,

Prachi (2011) expounded that the employees from public sector were relatively found to be more contented with their working conditions, job, relations with the peers, etc.; whereas, Patiraj and Pooja (2007) unveiled that the employees from private sector banks were found to be more mentally healthy than the public sector banks employees and further, various studies explicated that private sector employees experienced better QWL in comparison to public sector employees (Meena et al, 2012, Lehal, Ritu, etc.).

Research Methodology

Research Objective

To identify the factors existing in the current organizational climate that influence the employees' perception regarding 'Quality of Work Life'.

Research Design

Research design of the present study is exploratory cum descriptive in nature

Universe and Population

All the employees of Indian scheduled commercial banks in public (PNB and SBI) and private sector (HDFC and ICICI) constituted the universe and population of the present study.

Analysis and Interpretation

CFA for Measurement Model of QWL

To measure the discriminant validity, CFA was applied for the overall measurement model for 'QWL' and the values of MSV and ASV were calculated and compared with CR and AVE.

Table 1: CFA for Overall Measurement Model of QWL (Discriminant Validity)

	CR	AV	MS	ASV	WLB	SHW	ODH	AF	OC	SI	CIW	SR
	E	E	V	V		C	C	C	G		E	
WLB	0.875	0.583	0.042	0.014	0.764							
SHWC	0.987	0.950	0.022	0.009	-0.149	0.975						
ODHC	0.843	0.578	0.221	0.068	-0.036	0.148	0.760					
AFC	0.944	0.809	0.014	0.005	0.045	-0.112	0.065	0.899				
OCG	0.893	0.627	0.221	0.074	0.055	0.076	0.470	0.118	0.792			
SI	0.860	0.608	0.018	0.005	-0.136	0.043	0.100	0.005	0.043	0.780		
CIWE	0.943	0.806	0.086	0.002	0.078	0.021	0.367	0.046	0.431	-0.024	0.898	
SR	0.938	0.835	0.071	0.005	0.204	0.039	0.292	0.055	0.289	0.011	0.414	0.914

Source: Researcher's Calculations. *MSV-Maximum Shared Variance *ASV-Average Shared Variance

The results of CFA as shown in Table 1 exhibited that all mentioned conditions of convergent and discriminant validity are fulfilled. Hence, it can be concluded that the constructs are valid in terms of convergent and discriminant validity.

Table 2: Regression Weights, Squared Multiple Correlation and AVE of QWL Model

Measured Variables	Constructs	St. Regression Estimate (Li)	B	S.E.	C.R	P (Sig.)	Squared Multiple correlation	CR	AVE
AFC1	AFC	0.801	1				0.642	0.9	0.80
AFC2	AFC	0.954	1.0	0.0	32.675	***	0.910	44	9
AFC3	AFC	0.942	1.0	0.0	32.673	***	0.887		
AFC4	AFC	0.833	0.9	0.0	26.823	***	0.694		
SHWC1	SHWC	0.996	1				0.993	0.9	0.95
SHWC2	SHWC	0.952	0.9	0.0	70.671	***	0.907	87	0
SHWC3	SHWC	0.984	0.9	0.0	115.913	***	0.968		
SHWC4	SHWC	0.971	0.9	0.0	90.811	***	0.943		
ODHC1	ODHC	0.729	1				0.532	0.8	0.57
ODHC2	ODHC	0.640	0.8	0.0	13.316	***	0.410	43	8
ODHC3	ODHC	0.909	1.3	0.0	18.227	***	0.827		
ODHC4	ODHC	0.826	1.1	0.0	16.817	***	0.682		
OCG1	OCG	0.794	1				0.630	0.8	0.62
OCG2	OCG	0.771	0.9	0.0	20.074	***	0.594	93	7
OCG3	OCG	0.852	1.0	0.0	23.624	***	0.726		
OCG4	OCG	0.831	1.0	0.0	22.574	***	0.690		
OCG5	OCG	0.697	0.8	0.0	18.074	***	0.486		
SI1	SI	0.790	1				0.624	0.8	0.60
SI2	SI	0.728	0.8	0.0	18.954	***	0.531	60	8
SI3	SI	0.884	1.0	0.0	22.985	***	0.782		
SI4	SI	0.683	0.8	0.0	17.575	***	0.466		
CIWE1	CIWE	0.948	1				0.901	0.9	0.80
CIWE2	CIWE	0.909	0.9	0.0	39.842	***	0.832	43	6
CIWE3	CIWE	0.966	1.0	0.0	49.342	***	0.931		
CIWE4	CIWE	0.792	0.8	0.0	26.113	***	0.630		
WLB1	WLB	0.708	1				0.502	0.8	0.58
WLB2	WLB	0.785	1.1	0.0	17.546	***	0.617	75	3
WLB3	WLB	0.765	1.1	0.0	17.146	***	0.584		
WLB4	WLB	0.788	1.1	0.0	17.664	***	0.622		

WLB5	WLB	0.769	1.0	0.0	17.796	***	0.592		
SR1	SR	0.942	1				0.888	0.9	0.83
SR2	SR	0.924	0.9	0.0	40.832	***	0.853	38	5
SR3	SR	0.862	0.8	0.0	34.912	***	0.743		

Source: Researcher's Calculation through AMOS. B= Unstandardized Regression Weights

All constructs of 'QWL' taken together were analyzed with the help of Confirmatory Factor Analysis (CFA) and the results are shown in Table 2 and Figure 1. The regression weights of each measured variables were found to be high (greater than 0.5) and significant; Hence, the R² values revealed in the above table by each item in a particular construct showed the predicting capability of the construct to each item or amount of per cent change in dependent variables due to independent variable. Further, the results of regression weights revealed by the above table found to be significant at 1 percent level of significance (p value < 0.01) that indicated towards strong and significant relationship of variables to the constructs. In addition to this, the table also depicted the composite reliability for 8 factors considered under study that ranging from 0.843 to 0.987 which is greater than 0.6 indicating the 8 factors for the present model are reliable. The above table also depicted the AVE of 8 factors for the QWL model that varied from 0.578 to 0.950 and all exceeds the 50 per cent rule of thumb (Hair et. al.). Further, it can be predicted from the values of AVE that the factor SHWC has the highest AVE (0.950), followed by SR (0.835), AFC (0.809), CIWE (0.806), OCG (0.627), SI (0.608) WLB (0.583), ODHC (0.578) respectively.

Hence, it can be concluded that SHWC is the important factor because overall QWL accounts for 95 per cent of variance in the factor safe and healthy working conditions followed by SR (83.5), AFC (80.9), CIWE (80.6), OCG (62.7), SI (60.8) WLB (58.3), ODHC (57.8) respectively.

$$\text{Model} = \text{QWL}_i = b_0 + b_1\text{AFC}_i + b_2\text{SHWC}_i + b_3\text{ODHC}_i + b_4\text{OCG}_i + b_5\text{SI}_i + b_6\text{CIWE}_i + b_7\text{WLB}_i + b_8\text{SR}_i + \epsilon_i$$

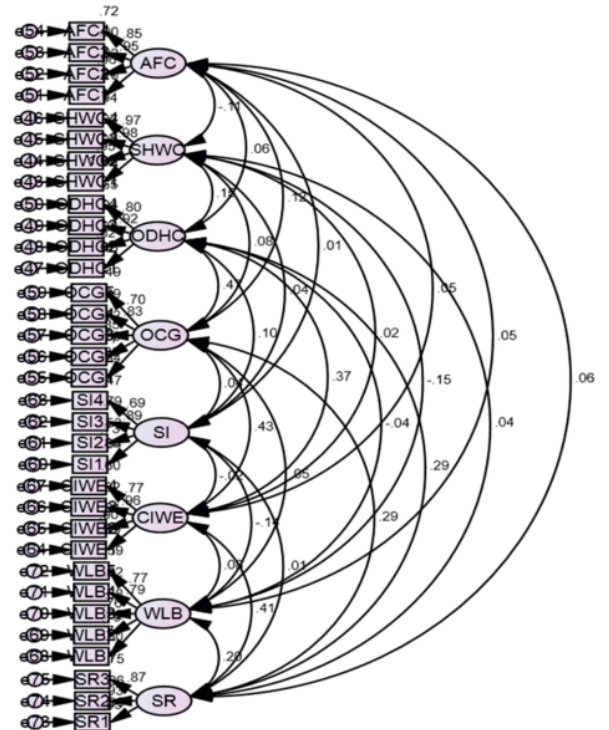


Figure 1: Path Diagram for QWL Model (CFA)

Conclusion and Suggestions

The results of the CFA revealed that all the 8 factors related to QWL analyzed in present study are significantly influenced quality of work life. It can be concluded that SHWC is the most important factor followed by SR, AFC, CIWE, OCG, SI WLB, ODHC respectively. Hence, the results of CFA revealed that the model of 'QWL' based on 'Walton's criteria of QWL' found to be fit to measure the level of QWL and to explore significant factor in Indian public and private sector banks in particular and banking industry in general. Therefore, on the basis of significant factor gauged through this model, it is suggested that suitable investment must be made by the organisation to ensure safe and healthy working conditions that are physically and psychologically safe; employees must be given equal pay for equal work that is allied to the responsibilities and exposure to multiple skills, advanced technology, 360° performance evaluation, making task challenging so that self-esteem, autonomy and morale of employees can be boost up.

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