

# Quality of Work Life: A Comparative Study of Public Sector Banks and Private Sector Banks

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## Abstract

*The Quality of Work Life (QWL) has become important for the commercial organisations due to advancements in technology, increase in the level of competition globally and emergence of services sector in almost all parts of the world. The QWL has become the dominant concern for the service organisations as employees play a vital role in service creation and delivery. The QWL refers to favourableness and unfavourableness of a job environment for people. The basic purpose is to develop jobs that are excellent for people as well as for production. The QWL provides a number of ways to bring down stress levels, reduce absenteeism, increase the job satisfaction and enhance the productivity of employees. The present study has been conducted to find out the perception of employees working in public sector banks and private sector banks regarding various dimensions of quality of work life. The study covers the employees working in public sector banks and private sector banks in Haryana. Stratified Random Sampling has been used for the study. The findings of the study suggest that private sector banks should ensure 'job security' to their employees. On the other hand, public sector banks need to reduce the work burden of their employees by making appointments of more employees therein.*

**Key Words:** Quality of Work Life, Public Sector Banks, Private Sector Banks, Employees.

## INTRODUCTION

Banking is a service industry and hands over its services across the counter to the ultimate customers. The activity of banking sector totally depends upon the human resources. Hence, the employees of banking sector presume a very important role in banking industry for offering best services to their customers and achieving the targets of their organisations. Now, with the upgradation of new technology in banking sector, the concern for productivity, profitability and customer service also increases. All the banks are campaigning after increasing their level of productivity and profits by all means, even the undue curtailment in their workforce. Due to this scenario, the banking organisations should take steps and set up the policies for maintaining the work life balance, reduced absenteeism, reduced stress levels and greater the level of satisfaction among the employees. All these activities are helpful for any organisation to maintain quality of work life and improve the organisational image.

The quality of work life (QWL) has become an essential part for all types of organisation. The term QWL is first introduced by the **Louis Davis (1972)**<sup>1</sup> who established that

the performance related to involvement and satisfaction of employees at work place.

**Suttle (1977)**<sup>2</sup> defined QWL as the degree to which workers are able to satisfy important personal needs through their experience in the organisation is no longer relevant.

**D.Fever (1989)**<sup>3</sup> explained the QWL as a set of methods, such as autonomous work groups, job enrichment, and high involvement aimed at boosting the satisfaction and productivity of workers.

**Lau et al. (2001)**<sup>4</sup> described that QWL is the favourable working environment that supports and promotes satisfaction by providing employees with rewards, job security, and career growth opportunities.

On the basis of above definitions the QWL has the following characteristics:

- Quality of work life is essential for the growth and development of the organisation.
- Human resources in the organisations are treated as more valuable assets according to QWL.
- QWL is combination of physical and psycho-social

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environment which is combined with safe and healthy workplace, job security, employees' privacy issues, ethical organisational activities etc.

- It creates jobs and working conditions that are beneficial for employees as well as for economic health of the organisation.

## 2. REVIEW OF LITERATURE

### 2.1 Qwl and Its Dimensions

Various studies have been done to explore the effects of physical work environment and organisational climate on worker's job satisfaction, performance, and health. **Walker's (1975)**<sup>5</sup> Quality of working life involved the task physical work environment and social environment within the organization, the administrative system of the establishment and the relationship between life and job. **Walton (1975)**<sup>6</sup> discussed light criteria or major conceptual categories which provide a framework for analyzing the salient features of Quality of working life. The eight criteria were: Adequate and fair compensation, safe and healthy environment, development of human capacities, growth and security, social integration in the work organization, constitutionalism in the work organisation, work and total life space, and social relevance of work life. **Baba and Jamal (1991)**<sup>7</sup> described the indicators of quality of working life, including; job satisfaction, job involvement, work role ambiguity, work role conflict, work role overload, job stress, organizational commitment, and turnover intentions. **Saklani (2004)**<sup>8</sup> identified the thirteen factors of QWL which have been taken for the present study i.e. (1) Adequate and fair compensation, (2) Fringe Benefits and Welfare Measures, (3) Job Security, (4) Physical Work Environment, (5) Work Load and Job Stress, (6) Opportunity to Use and Develop Human Capacity, (7) Opportunity for Continued Growth, (8) Human Relations and Social Aspect of Work Life, (9) participation in Decision Making, (10) Reward and Penalty System, (11) Equity, justice, and Grievance Handling, (12) Work and Total Life Space, (13) Image of Organization.

### 2.2 Past Researches on QWL in Banking Sector

In banking sector, there are not many studies on QWL. Most of the studies do not explicit the QWL among the employees of public sector banks and private sector banks.

**Hossain Mosharraf Md. (2000)**<sup>9</sup> has studied the satisfaction level of commercial bank employees. The result stated that the job satisfaction scores of public sector banks were higher than the private sector banks. The result also depicted that the public sector bank employees were more dissatisfied with their working conditions and incentive

bonus. While, the private sector bank employees were more dissatisfied with job security than the employees working in public sector.

**Rainye (2005)**<sup>10</sup> has examined the quality of work life in commercial banks viz. State Bank of India and Jammu and Kashmir Bank. Using stratified random sampling method, sample size was restricted to 200 cashier-clerks and 100 managerial personnel from each bank. The result revealed that in SBI jobs were relatively stressed free than JKB. Regarding relational factor, the study found that union management relations were far from cordial in both banks. In the job factor, poor mean scores received from employees of both banks on employee's involvement and work and total life space.

**Shrivastava et al. (2009)**<sup>11</sup> have analysed the job satisfaction level of public sector banks and private sector banks in India. It was found from the study that private sector bank employees perceived greater satisfaction with pay and growth aspects of job as compared to public sector bank employees. On the other hand, public sector bank employees expressed greater satisfaction with job security as compared to private sector bank employees.

**Kaur Daljeet (2010)**<sup>12</sup> has studied the quality of work life in branches of ICICI Bank Ltd. in Chandigarh. The result showed that the employees were happy with the working conditions and safety & security in banks. The employees had required transport facilities for the staff. The employees have least agreement with the way of performance appraisal and felt that their management was not flexible with its social responsibilities.

**Tabassum et al. (2011)**<sup>13</sup> have examined the differences in the employee perception of QWL in local private and foreign commercial banks in Bangladesh. The study concluded that there was a significant difference between local private and foreign commercial bank's employees regarding various dimensions of quality of work life viz. adequate and fair compensation, flexible work schedule and job assignments, attention to job design, and employee relations.

## 3. NEED OF THE STUDY

In the present scenario, focus of banking industry is not on only business, but it is more business, more revenue and more business per customer and per employee. Technology also plays a vital role in enduring high volume of business, but without human resources it is not possible for any organisation to achieve their goals and objectives. So, the

human resources in banking sector has become an integral part and it become necessary for the banking organisations to build the environment comfortable and secure for their employees. HR departments require building the strategies to manage human resources in banking sector. The organisations should follow the strategies to improve the quality of work life so that the employees in banking sector can perform with efficiently and effectively towards the attainment of their personal goals and organisational goals. Thus, quality of work life provides a variety of means to reduce stress levels, increase job satisfaction, reduce absenteeism, and increase productivity.

#### 4. OBJECTIVES OF THE STUDY

The study has been conducted to examine the QWL in public sector banks and private sector banks. This study examines the differences in the employee's perception of QWL in public sector banks and private sector banks. Thirteen dimensions of QWL have been taken for the study viz. (1) Adequate and Fair Compensation (2) Fringe Benefits and Welfare Measures (3) Job Security (4) Safe and Healthy Physical Environment (5) Work Load (6) Opportunity to Use and Develop Human Capacity (7) Opportunity for Continued Growth (8) Human Relations and Social Aspect of Work Life (9) Participation in Decision Making (10) Reward and Penalty System (11) Equity, Justice, and Grievance Handling (12) Work and Total Life Space (13) Image of Organization in Society. Specifically, the objectives of the study are explained as-

- a) To explore whether there is any significant differences among the public sector bank employees and private sector bank employees regarding various dimensions of quality of work life.
- b) To examine the problem areas of QWL in public sector banks and private sector banks.

#### 5. RESEARCH METHODOLOGY

The present study has been confined to fulltime employees of public sector banks and private sector banks in Haryana. Six districts of Haryana (Kurukshetra, Karnal, Ambala, Panipat, Gurgaon, and Faridabad) have been taken for the present study on the basis of highest number of branches of the four banks. Two public sector banks (State Bank of India and Central Bank of India) and two private sector banks (ICICI Bank and YES Bank) have been taken for the study. Stratified Random Sample of two major categories of employees viz. Officers and Clerical staff has been taken from public sector banks and only officers from private sector banks have been taken because many new private sector banks do not have clerical staff.

##### Measuring Instrument Used

Data has been collected for the study with the help of a structured questionnaire. The measurement instrument used for this purpose is based on the scale developed by Saklani in 2003 and it is based on thirteen clusters of sixty four items intended to measure quality of work life. To mark differences in degree, each statement was followed by a five-point disagreement-agreement continuum indicating 'very poor' to 'very good' status of quality of work life in organization. Reliability analysis was checked at both the level of entire QWL scale and at the level of each dimension of the scale. The values of co-efficient derived from these tests were found to be sufficiently high as Cronbach Alpha ( $\alpha$ ) = 0.902. The existence of positive and high values of these coefficients is reflective of the capability of items included in the instrument to elicit consistent and reliable responses as described in table (1):

**Table (1) Reliability Indices for the Research Instrument**

Sr. No.	Dimension	Cronbach's Alpha ( $\alpha$ )
1.	Adequate and Fair Compensation	.794
2.	Fringe benefits and Welfare Measures	.657
3.	Job Security	.637
4.	Safe and healthy Physical Environment	.646
5.	Work load	.697
6.	Opportunity to Use and Develop Human Capacity	.747
7.	Opportunity for Continued Growth	.833
8.	Human Relations and Social Aspect of work Life	.754

9.	Participation in Decision Making	.808
10.	Reward and Penalty System	.724
11.	Equity, Justice, and Grievance Handling	.852
12.	Work and Total Life Space	.594
13.	Image of organization on Society	.838
	<b>Overall Quality of Work Life</b>	<b>.902</b>

## 6. ANALYSIS AND INTERPRETATION

### 6.1 Sample

The survey was conducted in four commercial banks. A stratified random sampling procedure was used. Totally 550 questionnaires were distributed to the respondents. However, 510 survey questionnaires were returned and

analysed. Thus, present study was conducted on a sample of 510 employees working in public sector banks and private sector banks Haryana. As prescribed in table (2), about 71.6 percent of respondents are working in public sector banks i.e. State Bank of India and Central Bank of India and 28.4 percent respondents are working with private banks i.e. ICICI Bank and Yes Bank.

**Table (2) Ownership Pattern of Banks- Wise Composition of the Respondents**

Public Sector Banks	Frequency	Private Sector Banks	Frequency	Total No. of Employees
1. State Bank of India	265(72.6)	1. ICICI Bank	100(69.0)	<b>365(71.6)</b>
2. Central Bank of India	100(27.4)	2. YES Bank	45(31.0)	<b>145(28.4)</b>
<b>Total No. of Employees</b>	<b>365(100.0)</b>		<b>145(100.00)</b>	<b>510(100.0)</b>

Figures in parentheses indicates the percentage of respondents

Source: Primary Data

### 6.2 Hypothesis Development

The hypothesis is developed based on the objective of the study. The Null Hypotheses (Ho) is stated below-

Ho: There is no significant difference between the employees of public sector banks and private sector banks regarding various dimensions of quality of work life.

### 6.3 Ownership Pattern-wise Comparison of Banks

The ownership pattern of banks (Public Banks and Private Banks) can influence the quality of work life experienced by the employees working in the banks. Public sector banks and private sector banks are engaging with their employees in very different ways. Table (3) depicts that the highest mean scores of 3.988 and 3.785 have been obtained on the same dimension 'image of organisation in society' by the employees of both group viz. public sector banks and private sector banks. Similarly, the lowest mean score of 2.503 and 3.106 have been accorded on the dimension 'work and total life space' by the both group of respondents. It reveals that the respondents of public sector banks and private sector banks have not enough time for their

personal, family, and social obligations due to long working hours, work load in their organisations, and to completion of selected targets given to them by their organisations. On the other hand, the employees have higher extent of agreement on 'image of organisation in society'. It depicts that the banking organisations (public and private) are highly concerned for issues relating to customer complaints, promotion of education, culture, sports, and fair employment practices in their banks.

In order to find out whether there exists any significant difference between the mean scores of two groups on different dimensions of quality of work life, t-test turns significant at 5 percent level for the dimensions 'adequate and fair compensation', fringe benefits and welfare measures', 'job security', 'reward and penalty system' and 'image of organisation in society'. Further, t-value has been found significant at 1 percent level for the dimensions viz. 'work load' and 'work and total life space'. In case of four dimensions viz. 'adequate and fair compensation', fringe benefits and welfare measures', 'work load' and 'work and total life space', the mean scores of the respondents of private sector banks have been obtained higher than the respondents of public sector banks. It states that the

respondents of private sector banks have higher extent of agreement than the respondents of public sector banks regarding these dimensions of quality of work life. The result depicts that the employees of public sector banks are facing more problems due to work load, long working hours, and transfers from one place to another after every three years, which negatively impact on the quality of work life of employees while working in public sector banks.

But, the employees of public sector banks are more satisfied with the three dimensions viz. 'job security', 'reward and penalty system' and 'image of organisation in society'. The mean score of public sector banks are higher than the private sector banks. It indicates that the employees of public sector banks have higher extent of agreement on job security, reward and penalty system, and image of organisation in society. So, the null hypothesis is rejected in

case of seven dimensions viz. 'adequate and fair compensation', fringe benefits and welfare measures', 'job security', 'work load', 'reward and penalty system' and 'work and total life space' and 'image of organisation in society'.

In case of remaining dimensions viz. safe and healthy physical environment, opportunity to use and develop human capacity, opportunity for continued growth, human relations and social aspect of work life, participation in decision making, and equity, justice and grievance handling, the t- value has been found insignificant at 5 percent level. Thus, no significant difference has been found in the mean scores of two groups (Public Sector Banks and Private Sector Banks). They have obtained almost same level of agreement on each of these five dimensions of quality of work life. So, the null hypothesis is accepted in case of these six dimensions.

**Table (3) Ownership Pattern of Banks-wise Comparison of Respondents**

Sr. No.	Dimensions	Public Sector Banks		Private Sector Banks		T-Value	p-value
		Aggregate of means score	Grand mean score	Aggregate of means score	Grand mean score		
1	Adequate and Fair Compensation (5statements)	15.33 (4.121)	3.066	16.68 (3.666)	3.336	-3.426*	.001
2	Fringe Benefits and Welfare Measures (3statements)	9.88(2.737)	3.293	10.57(3.605)	3.523	-2.337**	.020
3	Job Security (3statements)	10.48(2.465)	3.493	9.86(2.297)	3.286	2.641*	.009
4	Safe and Healthy Physical Environment (3statements)	11.14(2.280)	3.713	11.22(2.408)	3.740	-.356	.722
5	Work Load(5statements)	13.64(3.513)	2.728	16.18(3.597)	3.236	-7.310*	.000
6	Opportunity to Use and Develop Human Capacity (8statements)	26.67(4.930)	3.333	26.92(5.112)	3.365	-.514	.607
7	Opportunity for Continued Growth (5statements)	18.76(3.671)	3.752	18.10(4.114)	3.620	1.771	.077
8	Human Relations and Social Aspect of Work Life (8statements)	26.48(4.816)	3.310	26.84(4.796)	3.355	-.751	.453
9	Participation in Decision making (5statements)	15.99(3.879)	3.198	16.41(3.647)	3.282	-1.116	.265
10	Reward and Penalty System (4statements)	15.37(2.888)	3.842	14.43(3.153)	3.607	3.227*	.001
11	Equity, Justice, and Grievance Handling (4statements)	14.38(3.644)	3.595	14.69(3.150)	3.672	-.888	.375
12	Work and Total Life Space (3statements)	7.51(2.433)	2.503	9.32(2.285)	3.106	-7.727*	.000
13	Image of Organization in Society (6statements)	23.93(4.307)	3.988	22.71(4.322)	3.785	2.879*	.004

Source: Primary Data

Figures in parentheses indicate the Standard Deviation.

\*significant at 1% level of significance

\*\*significant at 5%level of significance

## 7. CONCLUSION AND DISCUSSIONS

The result indicates that there is significant difference between the employees of public sector banks and private sector banks regarding adequate and fair compensation, fringe benefits and welfare measures, job security, and work load, reward and penalty system, work and total life space, and image of organisation in society . In case of three dimensions of QWL viz. job security, reward and penalty system, and image of organisation in society, the mean score are accorded higher of the employees of public sector banks. The dimension 'job security' has become big problem for the employees of private sector banks, while the public sector bank employees have higher extent of agreement on the dimension 'job security'. The private banking organisations should ensure their employees that are not terminated any time from their banks and technological changes are not likely to render the employees of the organisation as jobless. But, the banking organisations should make training and development programs to improve their skills and knowledge. In case of four dimensions viz. adequate and fair compensation, fringe benefits and welfare measures, work load, and work and total life space, the employees of public sector banks have accorded less extent of agreement on these four dimensions. The public sector bank should provide their employees adequate and fair compensation and fringe benefits & welfare measures according to their education, experience, and work done by them. The public sector banks also need to reduce the work burden of their employees with the new appointments of competent employees. The result also depicted that there is found no significant difference between the employees of public sector banks and private sector banks regarding the dimension 'safe and healthy physical environment', opportunity to use and develop human capacity, opportunity for continued growth, human relations and social aspect of work life, participation in decision making, and equity, justice, and grievance handling. It exhibited that the employees of both groups of banks are agree with these six dimensions.

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