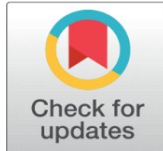
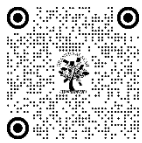


QUALITY OF WORK LIFE: ENHANCING PERFORMANCE AND SATISFACTION IN BANKING SECTOR

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ABSTRACT

This study investigates the relationship between Quality of Work Life (QWL), Job Satisfaction (JS), and Job Performance (JP) among bank employees in the Kanniyakumari district. Using a conceptual model and data collected from 282 respondents, the research confirms that QWL significantly impacts JS and JP, with JS acting as a mediator between QWL and JP. Structural equation modeling revealed strong correlations between these variables, emphasizing their interconnected nature. Practical implications highlight the importance of fostering supportive work environments, promoting work-life balance, and recognizing employee performance to enhance satisfaction and productivity. Limitations, such as sample size and cross-sectional design, indicate the need for future research with larger, diverse samples and additional variables. This study underscores the strategic role of QWL in driving organizational success in the banking sector.

Keywords: Quality of work life, Job Performance and Job satisfaction.

1. INTRODUCTION

Quality of Work Life (QWL) refers to the extent to which job conditions and work environments meet employees' expectations for well-being and satisfaction at work (Walton, 1973). Growing concerns over fair wages, flexible hours, and supportive working conditions are central to the discussion of QWL, which, while lacking a single definition, broadly encompasses the overall favorability of a job environment. J. Richard and J. Lay describe QWL as the degree to which employees can fulfill essential personal needs through their work experiences. Improvements in QWL involve initiatives across all levels of an organization, aimed at promoting both human dignity and organizational effectiveness through collaboration among management, unions, and employees. This collaborative approach stands in contrast to traditional management practices, viewing employees as assets rather than costs, and emphasizing that employees perform better when they are involved in decision-making processes.

QWL, therefore, represents an organization's commitment to fostering a motivated, healthy, and productive workforce by promoting positive outcomes like job satisfaction, loyalty, and morale (Lau & Bruce, 1998). It is an essential component of modern talent retention and performance management strategies (Grawitch et al., 2007), supported by progressive human resource policies, a positive workplace climate, and thoughtful work design that enhance employee experiences (Saklani, 2010). Assessing QWL provides insight into an organization's strengths and highlights areas for improvement in effectively supporting employees' personal and professional needs (Rose et al., 2006). In essence, QWL reflects the quality of an organization's work experience and how well it meets employees' intrinsic expectations for well-being (Kantor et al., 1995).

As organizations pursue sustainable growth, QWL remains a strategic priority (Kumar et al., 2020). In the banking sector, a service-driven industry increasingly impacted by digital transformation and changing consumer demands, QWL is essential for nurturing an engaged and productive workforce, as the industry relies heavily on the expertise and commitment of its employees. The study aims to bridge the gap by exploring the job satisfaction-job performance relationship by focusing on qwl in bank employees. More specifically, this study attempts to find answers to the following research Objectives.

To analyze and identify the relationship between the quality of work Llife and job performance.

To analyze and determine whether Job Satisfaction mediates the relationship between Quality of Work Life and Job satisfaction.

1.1 THEORETICAL FRAMEWORK, THE VARIABLES, AND HYPOTHESES DEVELOPMENT

The theoretical framework connecting **Quality of Work Life (QWL)**, **Job Satisfaction (JS)**, and **Job Performance (JP)** suggests a dynamic relationship where QWL directly influences JS, which in turn affects JP. QWL refers to the overall work environment and conditions that impact employees' well-being, including factors such as work-life balance, compensation, job security, and growth opportunities. Theories like **Maslow's Hierarchy of Needs** and **Herzberg's Two-Factor Theory** support the idea that fulfilling these factors contributes to higher levels of job satisfaction. Job Satisfaction, in turn, is influenced by employees' perceptions of fairness, their alignment with job expectations, and overall work experiences, as described in **Discrepancy Theory** and **Equity Theory**. Employees who are satisfied with their work are more motivated, engaged, and productive, leading to better job performance, as suggested by **Expectancy Theory** and **Social Exchange Theory**.

The relationship between QWL and JP is also mediated by JS, meaning that a positive work environment (QWL) improves job satisfaction, which then enhances job performance. This mediating role of JS highlights that while QWL has a direct impact on JP, its effect is amplified through increased job satisfaction. Therefore, organizations that focus on improving QWL are likely to see improvements in both employee satisfaction and performance, ultimately contributing to organizational effectiveness.

Figure 1 Conceptual Model



2. HYPOTHESES DEVELOPMENT

2.1.QWL AND JS

Quality of Work Life (QWL) is fundamentally linked to job satisfaction, as it encompasses various factors that contribute to an employee's overall well-being in the workplace. A high QWL, which includes elements such as job security, compensation, and work-life balance, fosters a positive work environment that enhances job satisfaction. Research indicates that six out of seven factors influencing QWL significantly affect job satisfaction, highlighting the importance of a supportive work setting (Islam, 2012). Furthermore, well-being at work, a critical aspect of QWL, directly impacts job satisfaction, productivity, and employee retention (Bellmann & Hübler, 2020). Additionally, promoting work-life balance is essential for reducing stress and increasing job satisfaction, as organizations that prioritize this balance tend to experience higher employee retention rates and better performance. Ultimately, the interplay between QWL and job satisfaction underscores the necessity for organizations to invest in improving their work environments to achieve better employee outcomes (Sowmya, 2013, Shami et al., 2015). Based on available empirical evidence and logical arguments, the following hypothesis is proposed:

H1: Quality of work life is positively and significantly related to a job satisfaction.

2.2 QWL AND JP

Quality of work life (QWL) is intricately linked to job performance, as it encompasses various factors such as job satisfaction, employee engagement, work-life balance, organizational culture, and leadership style. High job satisfaction, characterized by positive emotional responses to job experiences, directly enhances motivation and productivity, leading to improved job performance (Shahzad et al., 2015). Employee engagement fosters a strong emotional and cognitive commitment to work, which correlates with higher performance levels (Little & Little, 2006). Effective work-life balance is crucial, as it reduces turnover and enhances job satisfaction, thereby positively impacting performance (Kamau et al., 2013). A positive organizational culture promotes community and motivation among employees, which is essential for high job performance (Malhi, 2013; Santos et al., 2012). Effective leadership styles, particularly transformational leadership, can significantly enhance QWL by motivating employees and fostering engagement, ultimately leading to better job performance (Almansour, 2012). Thus, improving QWL is vital for enhancing overall job performance in organizations. Thus, based on the above arguments, the following hypothesis is proposed:

H2: Quality of work life is positively and significantly related to a job performance.

2.3 JS AND JP

Lee et al. (2010) found that both affective and normative commitment are related to job satisfaction, with only affective commitment influencing performance. Westover et al. (2010) identified 17 work domains that impact job satisfaction and organizational commitment, subsequently affecting worker performance. Oubre and Brown (2010) emphasized that supervisors demonstrating effective techniques can boost organizational performance. Singh and Das (2013) observed that the effect of job satisfaction on performance is weaker for less experienced salespersons. Delic et al. (2014) concluded that monetary incentives significantly influence job satisfaction in the banking sector of Bosnia and Herzegovina. Jin et al. (2016) found that employees with high fellowship and perceived supervisor support experience greater job satisfaction when the performance-oriented culture is low. Therefore, we offer the following exploratory hypothesis is proposed:

H3: Job satisfaction is positively and significantly related to job performance.

3. RESEARCH METHODOLOGY

The study employed the following methodology to achieve its research objectives. The research on Quality of Work Life (QWL) in bank employees involves several key steps. Initially, the study focuses on designing the research, conducting a comprehensive literature review, and developing dimensions and sub-dimensions of QWL for analysis. This is followed by the creation of a structured questionnaire and the collection of data under the guidance of a senior academic supervisor. A detailed data profile is prepared to describe the characteristics of the sample population. The quality of the data is assessed using Cronbach's α analysis to ensure reliability. Statistical techniques, including correlation and regression analyses, are employed, along with factor extraction methods, to study the common variance among QWL components and identify gaps. Furthermore, the relationship between QWL and Job Satisfaction Scale (JSS) is explored, and the impact of QWL and JSS on job performance (JP) is examined to derive meaningful conclusions.

4. RESEARCH DESIGN

The following steps were taken in this study.

4.1. STAGE ONE: LITERATURE REVIEW

The study examines the impact of Quality of Work Life (QWL) on individual job performance (JP) and profitability, emphasizing job satisfaction (JS). It introduces QWL, JP, JS and JP for gap analysis, connecting QWL to organizational success and performance.

4.2. STEP TWO: CREATION OF THE QUESTIONNAIRE AND COLLECTING DATA

A questionnaire, developed based on QWL dimensions and validated by experts, was distributed to 300 public sector banking employees in kanyakumari district, achieving an 94% response rate. Data were analyzed using SPSS, with reliability tests and factor analysis identifying gaps in QWL.

Using statistical and factor analysis, the data were examined in SPSS to evaluate quality and reliability and to find QWL gaps. Table 1 provides an overview of a workforce profile analysis.

5. SAMPLE'S DEMOGRAPHIC CHARACTERISTICS

Demographic Variables	Demographic Characteristics	Frequencies	Percentage
Age	Up to 25 years	64	23
	26-35 years	121	43
	36-50 years	53	19
	50+	44	16
Gender	Male	157	56
	Female	125	44
Marital Status	Single	63	22
	Married	219	78
Education	Under graduate	136	48
	Master graduate	49	17
Job Position	Professional	97	34
	Branch Manager	52	18
	Middle Manager	133	47
	Cashier	95	34
Income	Below 30000	42	15
	30001-40000	125	44
	40001-50000	86	30
	Above 50000	29	10

The demographic profile shows a predominantly young workforce, with 43% aged 26-35 years and 23% up to 25 years. Gender distribution is balanced, with 56% males and 44% females, and most respondents (78%) are married. Educational qualifications are diverse, with 48% holding undergraduate degrees, 34% professional qualifications, and 17% master's degrees. Middle managers form the largest group (47%), followed by cashiers (34%) and branch managers (18%). The majority earn ₹30,001–₹40,000 (44%), reflecting a middle-income workforce that is young, educated, and stable.

5.1 RELIABILITY TESTING AND DATA TABULATION

SPSS was used to compile the data and perform both analysis and interpretation. The quality and dependability of the data were assessed using statistical tests. Table 2 displays the results of the Cronbach's alpha test that we used in this regard.

Table 2 Cronbach's α : Reliability of data

Reliability Statistics		
	Cronbach's Alpha	N of items
QWL	0.801	6
JP	0.778	5
JS	0.707	5

The reliability statistics show that all scales are consistent and reliable, with Cronbach's Alpha values above 0.7. QWL has a high reliability of 0.801 (6 items), JP shows good reliability at 0.778 (5 items), and JS has acceptable reliability at 0.707 (5 items). These values confirm the scales are suitable for analysis.

5.2 CORRELATIONS, MULTICOLLINEARITY AND DISCRIMINATE VALIDITY

The descriptive statistics (means, standard deviations and zero-order correlations, Composite Reliability, and average variance extracted (AVE)) were presented in table 3

Variables	Mean	SD	1	2	3	Composite reliability	Average Variance extracted estimate (AVE)
1. QWL	2.81	1.01	0.92			0.93	0.84
2. JP	3.19	0.82	0.71**	0.79		0.87	0.63
3. JS	3.24	0.78	0.61**	0.72**	0.71	0.84	0.50

****P<0.01; elements in diagonal and bold are the square root of AVE**

The data reveals intriguing insights: Quality of Work Life (QWL) scores are moderate (M=2.81, SD=1.01), while Job Performance (JP) and Job Satisfaction (JS) show higher averages (M=3.19, SD=0.82; M=3.24, SD=0.78, respectively), reflecting positive perceptions overall. Strong correlations—QWL with JP (0.71), QWL with JS (0.61), and JP with JS (0.72)—highlight how these factors synergize to enhance workplace dynamics. Reliability is robust (composite reliability: 0.84–0.93), and convergent validity is well-supported for QWL (AVE=0.84) and JP (AVE=0.63), with JS (AVE=0.50) meeting the minimum standard. The findings emphasize interconnectedness and reliability, with a hint of refinement needed for JS validity.

5.3 TESTING H1- H3

The structural model was tested using Partial Least Squares (PLS) with the Smart-PLS software for structural equation modeling. The path analysis results are summarized in the table 4.

Relationships	Hypothesis	Original Sample (O)	Sample (M)	Standard Deviation (STDEV)	T Statistic (O/STDEV)	P Values	Result
QWL → JP	H1	0.02	0.02	0.08	0.15	0.01	Supported
JP → JS	H2	0.21	0.21	0.10	3.61	0.00	Supported
JS → QWL	H3	0.57	0.57	0.09	8.16	0.00	Supported

The path analysis confirms all hypotheses, highlighting varying strengths of relationships. Quality of Work Life (QWL) has a minimal yet significant impact on Job Performance (JP, O=0.02, p=0.01), while JP shows a moderate positive influence on Job Satisfaction (JS, O=0.21, p=0.00). Notably, Job Satisfaction strongly impacts QWL (O=0.57, p=0.00), indicating a robust and significant relationship.

6. DISCUSSIONS

This researcher is aimed at investigating the relationship between the Quality of work life of employees job performance and job satisfaction. A conceptual model was developed, and data collected from 282 bank employees from the kanniyakumari district were analyzed using structural equation modeling [Smart PLS software]. Except for one hypothesis, the results validated the model.

Quality of Work Life (QWL) plays a crucial role in influencing Job Performance (JP). Research by Leitão, Pereira, and Gonçalves (2019) suggests that QWL factors like a safe work environment and occupational health contribute significantly to improved job performance, even if the effect is relatively small. Job Performance, in turn, positively impacts Job Satisfaction (JS), as employees tend to feel more satisfied when their performance is recognized and successful (Judge et al., 2001). Moreover, Job Satisfaction has a strong reciprocal relationship with QWL. As Walton (1973) noted, job satisfaction enhances the perception of workplace quality, with satisfied employees reporting better work-life conditions. This relationship is reinforced by Leitão et al. (2021), who emphasized the mutual benefits between job satisfaction and overall QWL. Thus, these findings collectively highlight the interconnected nature of QWL, JP, and JS, each influencing the other in a dynamic cycle.

7. THEORETICAL IMPLICATION

Theoretical implications of the relationships between Quality of Work Life (QWL), Job Performance (JP), and Job Satisfaction (JS) suggest a dynamic, cyclical interaction where improvements in one area drive positive outcomes in others. QWL, even with a minimal effect on JP, lays the foundation for better employee performance by improving workplace conditions, reducing stress, and fostering motivation (Leitão, Pereira, & Gonçalves, 2019). Job performance further influences job satisfaction, as higher performance boosts employees' feelings of achievement and satisfaction (Judge et al., 2001). Moreover, the strong reciprocal relationship between JS and QWL indicates that satisfied employees are more likely to perceive better work-life quality, which in turn supports higher performance levels (Walton, 1973). This interconnected framework aligns with motivation theories like Herzberg's Two-Factor Theory and social exchange theory (Blau, 1964), suggesting that a focus on enhancing QWL and fostering satisfaction creates a sustainable cycle that benefits both employees and organizations.

8. PRACTICAL IMPLICATION

The practical implications of the relationships between Quality of Work Life (QWL), Job Performance (JP), and Job Satisfaction (JS) suggest that organizations should prioritize creating a positive work environment to enhance both employee well-being and organizational performance. Improving QWL, such as offering a safe and supportive work environment, can lead to better employee performance by reducing stress and fostering motivation, as noted by Leitão, Pereira, and Gonçalves (2019). Moreover, organizations should recognize the link between JP and JS, ensuring that high performers are rewarded and supported, as this not only enhances satisfaction (Judge et al., 2001) but also motivates others. The strong connection between JS and QWL indicates that initiatives aimed at boosting employee satisfaction—such as providing recognition, opportunities for growth, and promoting work-life balance—can improve the overall quality of the workplace (Walton, 1973). By fostering a cycle of positive outcomes, organizations can increase employee engagement, reduce turnover, and improve productivity. Practical strategies might include offering wellness programs, providing career development opportunities, and fostering a culture of feedback and recognition to create a work environment where satisfaction, performance, and quality of life are continuously enhanced.

9. LIMITATION OF THE STUDY

Some limitations of this study should be acknowledged. First, although representative samples were used to test the hypothesized relationships, the small sample size may limit the generalizability of the findings, particularly across diverse regions. However, given the similarity in living conditions in many developing countries, the results are likely to be applicable to other nations with comparable contexts. Second, as with any survey-based cross-sectional study, common method bias is a potential limitation. While we have taken measures to minimize common method variance through statistical testing, cross-sectional studies cannot fully eliminate this bias, so the results should be interpreted with this in mind. Third, social desirability bias, an inherent challenge in survey research, may distort the findings. To mitigate this, we ensured the anonymity of respondents and communicated that survey responses would remain confidential, a practice recommended by several researchers to reduce such bias (Podsakoff et al., 2003). Fourth, the study focused on a limited set of variables—QWL and JP among bank employees—and may have omitted other relevant factors that could influence Job Satisfaction (JS), such as organizational culture, leadership styles, or individual differences. Future research should consider a broader set of variables to provide a more comprehensive understanding of the relationships.

10. SUGGESTION FOR FUTURE RESEARCH

Future research could expand on this study by using larger, more diverse samples to increase the generalizability of the findings. Including participants from various industries and geographical regions would help determine whether the QWL-JP-JS relationships are consistent across different cultural and organizational contexts. Additionally, employing a longitudinal research design would provide deeper insights into causal relationships between these variables and address the limitations of cross-sectional data, which cannot fully establish cause-and-effect dynamics (Spector, 2006). This would help determine whether improvements in QWL lead to sustained changes in job performance and satisfaction over time.

Explore additional variables, such as organizational culture, leadership styles, and individual characteristics like personality and emotional intelligence, to gain a more comprehensive understanding of the QWL-JP-JS relationship.

Incorporating these factors could provide valuable insights into how personal and contextual elements interact with the workplace environment to influence employee outcomes. Mixed-methods research, combining both quantitative and qualitative data, could also offer a richer, more nuanced perspective on employee experiences. Lastly, investigating specific interventions aimed at improving QWL, such as training programs or wellness initiatives, could provide actionable recommendations for organizations looking to enhance job performance and satisfaction while fostering a better work environment.

11. CONCLUSION

The study highlights the crucial role that Quality of Work Life (QWL) plays in influencing Job Performance (JP) and Job Satisfaction (JS) among bank employees. The findings show that while QWL has a small yet significant impact on JP, the positive relationship between JP and JS is more pronounced, with satisfied employees perceiving a higher quality of work life. This reciprocal relationship emphasizes the interconnectedness of these factors, suggesting that improving one area can positively influence others. For banks, this implies that fostering a supportive and positive work environment for employees can significantly enhance both job performance and satisfaction. Practical strategies for banks include promoting work-life balance, offering career development opportunities, and recognizing high performance, which can help create a continuous cycle of improvement. However, limitations such as sample size and common method bias suggest the need for further research with larger, more diverse samples to validate and expand these findings across different bank environments and regions.

CONFLICT OF INTERESTS

None.

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