

A STUDY ON QUALITY OF WORK MILIEU IN FINANCIAL SERVICE SECTOR.

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ABSTRACT

Human capital is the main asset of the service sector companies; therefore, attrition does not just affect the headcount, but results in the loss of knowledge and skills that the employees take back with them on leaving an organization. Quality of work life is important criteria that need to be focused by the organizations to achieve higher productivity and business goals and retain the employees. The main objective of this study was to understand the influence of quality of work life dimensions on the overall satisfaction of the employees with the organization. Random sampling technique was used to collect opinions from 171 employees of different service sector companies. Eight quality of work life factors were examined to study the relationship with the overall satisfaction of the employees. Reliability of the data was checked using Cronbach's alpha value and the construct validity was tested using factorial analysis. Hypotheses were tested using linear regression analysis. Commitment to the organisation was considered the most important factor among the eight dimensions. Pearson's correlation analysis showed that all the factors were positively correlated to overall satisfaction. The recommendations provided in the study can be used by the organisations to rework on their policies to enhance quality of work life for employees that would have a positive impact on the attainment of business goals. Key words: QWL, service sector, commitment, job satisfaction, QWL dimensions

Keywords: Quality of work life, Dimension of environment structure, Strategic Formulation

1. INTRODUCTION

Quality in the workplace comes from understanding and then fully meeting, the needs of all your internal and external customers, now and into the future and doing so with continual improvement in efficiency and effectiveness.

QWE refers to the favorableness or UN – favorableness of a total job environment of the people. The basic purpose is to develop jobs and working conditions that are excellent for people as well as for the economic health of the organization. QWE provides a more humanized work environment.

2. SIGNIFICANCE OF THE STUDY

The QWE should be broad in its scope. It must be evaluate the attitude of the employees towards the personnel policies. The research will be helpful in understanding the current position of the respective company. And provide some strategies to extent the employee's satisfaction with little modification which is based on the internal facilities of the company.

This research can be further used to evaluate the facilities provided by the management towards the employees. This study also helps in manipulating the basic exception of the employees.

Quality of Work Life in Financial Service Sectors

Two important factors namely Quality of Work life improvements and an increased desire by workers to have input and control over their own and their organization's success, drive the need for exploring even more employee centered, team-work based approaches to sectorial administration. First of all, financial banks thirst for both bottom line and longer – term improvements that more clearly link productivity to enhanced competitive posture through better service quality. By close observation of the employees of financial service sectors, it can be suggested that, by enhancing Quality of Work Life through employee involvement, financial service sectors experience productivity gains.

Today the Indian financial service sectoring financial industry is witnessing boom times better than ever before. The availability of skilled

3. REVIEW OF LITERATURE

A survey was applied by Esra, Zeynel (2012) on financial service sector employees in terms of assessment of the effect of motivation in raising the quality of work life of financial service sector employee.[1] The results implied that happy and productive working life of employees in having a sense of belonging in the institution can be used effectively in improving the motivation factor.[2]. The higher motivation increases the productivity of employee, institutional effectiveness and quality of working life.

Edvardsson and Gustavsson [3] believe that despite understanding the relationship between wellbeing of the employees and success of the organisation, not much attention has been paid towards working conditions of the employees at the workplace, which is the foundation for service inclined employees. Earlier to that, Mowday et al. The working environment in the service sector is filled with emotional exhaustion, stress, low levels of job satisfaction resulting in high attrition rate [4]. Ill-treating the employees and abusing them further degrades their self-esteem and self-efficacy [5]. Inefficiency of organization to provide high quality of work life eventually results in demotivation and low performance of the employees. The employees unable to cope up with the stress in workplace tend to opt for voluntary retirement [6]. According to the researchers, the turnover intention of the employees is to a major extent is dependent on the stress in work life [7], [8]. The unfavorable conditions in the work leads to the decrease in the job satisfaction, affecting physical and mental health of the employees, thus, increasing their turnover intentions [9].

Cohen and Rosenthal (1980)² [10] describes Quality of Work life as an intentionally designed effort to bring out increased labor management and cooperation to jointly solve the problem of improving organizational performance and employee satisfaction.

Higgins.C., Duxbury. L and Irving. R.H. (1992)³ [11] have found that work – family conflict studies have contributed to a better understanding of role conflict and its impact on mental health and the Quality of Work life. Quality of Work life is the quality of content of relationships between employees and their total working environment with human dimensions added to the usual technical and economical factors.

4. OBJECTIVES OF THE STUDY

1. Due to the pluming growth of this sector, the Financial Sector has undergone various structural changes over the past two decades which lead to work pressure for the Financial service sector Employees.
2. Financial Service leverage employees have perhaps felt the maximum work pressures and they are in need to meet organizational goals and ensure customer satisfaction.
3. The Financial Service Sector which is growing day by day may attain long term sustainable service responsiveness and lead to better productivity.

5. RESEARCH METHODOLOGY

Research Methodology a. Data Collection Survey method was used to collect data from different financial service sector organisations ranging from banks, securities market, MCX, insurance and Mutual fund. Random sampling technique was used to select the companies as well as the respondents. Around 171 employees of these organisations returned the filled-in questionnaires. b. Research Instruments The constructs used in the survey were modelled based on the constructs deduced by Walton [12].The items in the survey instrument were customized to address the targeted employees' needs and were basically established on the validated measures of work environment and organisational macroclimate of the service industry. Most of the items used in this study were constructed from previous research [54]-[56]. All the items in the questionnaire were marked on a seven-point Likert scale ranging from 1 = Strongly Disagree to 7 = Strongly Agree. A pilot study was conducted with 50 respondents to ensure that the research instrument was reliable and valid. Those participated in the study were comfortable in using the questionnaire. c. Conceptual Model Literature on QWL dimensions have been shown to have a significant impact on the job satisfaction of the employees. The constructs used in this study were Commitment to work place, Job satisfaction, Opportunity to use and develop skills and capabilities and to growth, Training and development, Adequate and fair compensation, Safe and healthy working conditions, Work environment, and Social integration in the work organisation. These were tested for their relationship with over job satisfaction of employees. In this study, a positivist approach that comprised the deductive analytical techniques as established by past researchers was taken to maximise the advantages of the analysis[57]. Regression analysis was used to test the hypothesis.

Table 5.2. Factors Affecting Quality of Work Life of Employees in Public Sector Banks

Factors	Mean	Std. Deviation	Coefficient of Variation
Leadership	13	1.11	9.34
Inter Personal Relationship	25	2.45	9.32
Autonomy	18	2.12	10.34

Remuneration	15	2.09	10.33
Recognition	14	1.89	10.12
Career Advancement	14.2	2.11	11.21
Job Security	14.3	2.01	11.27
Morale	7.13	1.7	7.23
Training and Development	7.14	1.67	7.21
Work Environment	11.03	2.11	12.21

To financial service sectors. Job Security measures first in influencing Quality of work life of Employees in Private Sector financial service sectors & Banks. Training and Development stands second. Interpersonal Relationship stands third. These two factors measure the same with very thin variations. Leadership style is observed to be measuring first in influencing Quality of work life in financial service sectors employees. Inter Personal relationship is measured second. Autonomy measures third. Unlike Private Sector employees, financial service sectors employees feel secured in their jobs. Hence, the employees' morale appears to be good in financial service sectors.

Weighted Average Method:

Employee's perception on motivational insights

Insights	Rank (1-5)					Total
	5	4	3	2	1	
Interest in work	28	26	26	14	6	100
Recognition	34	24	1	16	16	100
Award and Rewards	9	22	23	24	22	100
Compensation	10	12	20	17	41	100
Friendly Co-workers	19	16	21	29	15	100

Weighted average method = $(X1W1 + X2W2 + X3W3 + \dots)/N$

a. Interest work = $(28*5 + 26*4 + 26*3 + 14*2 + 6*1)/N$

$$= (140 + 104 + 78 + 28 + 6)/100$$

$$= 356/100 = 3.56$$

b. Recognition = $(34*5 + 24*4 + 10*3 + 16*2 + 16*1)/N$

$$= (170 + 96 + 30 + 32 + 16)/100$$

$$= 344/100 = 3.44$$

c. Awards &

$$\begin{aligned}
 \text{Rewards} &= (9*5 + 22*4 + 23*3 + 24*2 + 22*1)/N \\
 &= (45 + 88 + 69 + 48 + 22)/100 \\
 &= 272/100 = 2.72
 \end{aligned}$$

$$\begin{aligned}
 \text{Compensation} &= (10*5 + 12*4 + 20*3 + 17*2 + 14*1)/100 \\
 &= (50 + 48 + 60 + 34 + 41)/100 \\
 &= 233/100 = 2.33
 \end{aligned}$$

d. Friendly

$$\begin{aligned}
 \text{Co-workers} &= (19*5 + 16*4 + 21*3 + 39*2 + 15*1)/100 \\
 &= (95 + 64 + 63 + 58 + 15)/100 \\
 &= 295/100 = 2.95
 \end{aligned}$$

Rank Weighted Average Score

Rank	Weighted Average	Attributes
I	3.56	Interest in work
II	3.44	Recognition
III	2.95	Friendly Co-workers
VI	2.72	Awards and Rewards
V	2.33	Compensation

Analysis

From the table it is clear that among the motivational insights factors interest in work ranks the top with 356 points resulting an average of 3.56 followed by recognition with 344 points weighing an average of 3.44. It reveals that both the management and the workers are in mutual understanding as the interest in the work ranks high and the recognition of the workers ability and skill by the management is also at high level.

The motivational factors like awards and rewards, compensation and friendliness with co-workers rank less than the general average of 3.

6. DISCUSSION

From the analysis of Coefficient of Variations, it is understood that the employees in private sector are feeling that their job is not secured.

Though they have given adequate training to the employees to develop their career, their performances are always questionable. These in turn affects their morale, and are not able to reproduce innovativeness in their work. The leaders are not in a position to give autonomy to their subordinates in decision making process and the subordinates are supposed to follow their superiors' instruction which hinders them to complete a job in a smart way. However, the private financial service job are providing adequate infrastructure to their employees which makes them feel good about their work environment. The employees in financial service employee feel that the quality of work life depends on the leadership style and the people skill also plays a vital role to maintain peaceful work life. The employees in financial service expect more autonomy to do their work efficiently. Their attitude towards their remuneration shows that they are not fully satisfied on their salary. Further, the performance of employees has to be appreciated and given due reward and recognition. Since the financial service employees feel secured about their job their morale toward their career development and work environment is good.

7. CONCLUSION

It is suggested that organisations make performance appraisal transparent, conduct training programs that would enhance skills and capabilities of the employees. The employees who perform challenging jobs remain motivated and perform better. As the employees spend most of their time in the workplace, it is important that an effort be made to address the grievances and minor skirmishes among the employees. An organisation, which considers strategies and policies to create balance in work life, will possibly have a workforce that has increased productivity and increased penchant to work towards achieving organisation goals. It should also be mentioned that the samples included in this comparative study are heterogeneous in terms of professions. While this heterogeneity has been intended in order to test the application of the measures in a broad spectrum of employed populations, it remains nevertheless unclear to what extent the reported psychometric properties hold true for other professional groups.

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