

QUALITY OF WORK LIFE IN LIFE INSURANCE CORPORATION OF INDIA : AN EMPIRICAL STUDY BASED ON EMPLOYEE'S PERSPECTIVES

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ABSTRACT

The purpose of this paper is to understand the concept of Quality of Work Life (QWL) in the organization LIC and to identify factors especially in the internal environment of an organization that leads to QWL. This study is conducted in the Varanasi Division of Life Insurance Corporation of India. The sample size 360 and it has been collected from 21 working branches of LIC. A structured questionnaire has been administered to collect data from the respondents by using stratified random sampling techniques. Descriptive analysis, exploratory factor analysis (EFA) and Reliability test are used to draw analysis and inference of the study. The results revealed that the employees are moderately satisfied the perceived QWL. The findings suggest that quality of work life in LIC of India can be enhanced by considering eight factors (Social Integration and Constitutionalism; Work Life Balance; Work Place Environment; Societal Importance of Work; Adequate and Fair Pay; Opportunity for Learning & Development, Job Incentives & Job Design).

Keywords : Quality of Work Life, Workplace environment, Learning.

INTRODUCTION

The total life space of human beings can be classified into three divisions i.e., family life, working life and social life. These three divisions of human life are interrelated and interconnected. Failure of any one or two affect of quality of the other(S) badly. So, the total quality of life of the people depends on the quality of family life, work life and social life. In order to improve the total quality of life of the people, a balance between family life, work life and social life is essential. The quality of the work life has an important bearing on the total quality of the people. A high quality of work life leads to a better quality of life of the people and vice versa. Thus quality of work life has been considered as a means and at the same time and end in itself. It is an end because the total quality of life can be achieved only through the quality of work life. As a means the experience gained through work life helps workers to acquire excellence, high amount of civic competence and better skills which are necessary for the total development of man power. The modern management has been increasingly aware of the fact that "Human Factor" is the most important factor

among all factors of production. In fact, the success of every business enterprise is depends on its human elements. Further, the efficiency of organization depends on its work environment, working methodology and degree of employee satisfaction. Therefore, HR department needs to pay more attention to the aspiration of every employee and should evolve strategies to discover constantly their true potential.

Thus, managing people by their talent and improving Quality of Work Life seems to be the new strategy in any organization for the excellence and sustainable growth. The changing value of the work force indicates that current employees are more interested in elevating their quality of work life. Beyond earnings, workers expect to gain benefits from their jobs such as challenge and achievement, career development and growth, balance between work and family life, a harmonious organizational climate and a supportive managerial style. Thus, employee's Quality of Work Life seems to be highly important because satisfaction of employees is basically a back-bone for organizational survival and growth.

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THE ESSENCE OF QWL STRATEGIES IN LIFE INSURANCE INDUSTRY

The emergent challenges for the Life Insurance Corporation of India are to develop the capacity to attract, motivate and retain a highly skilled, flexible and adaptive workforce. This is particularly valuable at middle and senior level of management. Therefore, to gain competitive advantage the LIC of India needs to develop an approach to HR and effective QWL strategies that cater for the diverse needs of the workforce. In this manner the development of human resources becomes very crucial. Therefore, QWL has become an emerging issue in modern HRM. The past research study reveals that the QWL affects quality of life in four areas: Competency, Health, Time and Wealth (Macstravic, 2008). The employers who help workers to improve their quality of life at home as well as at the workplace will receive reward in loyalty, productivity and retention (Davis, 1975 & Robbins 1989). What makes a firm best is not just technology, bright ideas, or the use of tools, but also the fact that the best firms are better organized to meet the needs of their people, to attract better talent pools who are more motivated to do a superior job (Waterman 1994). Thus an in-depth understanding of the issue is not only desirable but also necessary.

REVIEW OF LITERATURE

In any field of study existing literatures constitutes a base for further research. Therefore, before resuming with objectives the scholar has gone through past studies on the topic and present as review of literature. The term Quality of Work Life (QWL) was first introduced by Davis at the Forty-Third American Assembly on the Changing World of Work at Columbia University's Arden House. The selected participants assembled there concluded in their final remarks that "improving the place, the organization, and the nature of work can lead to better work performance and a better quality of life in the society" (Gadon 1984, Wyatt & Wah 2001, Sadique 2003, Rose et al. 2006, Islam & Siengthai 2009). The thought has then travelled through to be considered as a 'movement', 'reform' and 'policy' for increased productivity in an organization (Promonis and Baumgratel, 1980). Nadler & Lawler (1983) defined quality of working life as a 'Variable' (1969-72), as a 'Method' (1972-95), as a 'Movement' (1975-80) and as everything (1979-82). Past scholars have

offered a variety of definitions and suggestions for identifying the constitutes of quality of work life (QWL). For instance, Quality of work life (QWL) is a philosophy, a set of principles, which holds that, people are the most important resource in the organization as they are trustworthy, responsible and capable of making valuable contribution and they should be treated with dignity and respect (Straw & Heckscher, 1984). Walton (1975) pointed out that QWL emphasized humanistic values and social responsibilities and suggested the QWL is a eight dimensional constructs. These are: Adequate and Fair Compensation; Safe and Healthy Working Condition; Immediate Opportunity to use and Develop Human Capacities; Opportunity for Continued Growth and Security; Social Integration in the Work Organization; Constitutionalism in the Work Organization; Work and Total Life Space; and Social Relevance of Work Life. According to Guest (1979). Quality of working life is a generic phrase that covers a person's feelings about every dimension of work including economic rewards and benefits, security, working conditions, organizational and interpersonal relationship. People also conceive that the key elements of QWL include job security, job satisfaction, better reward system, employee benefit, employee involvement and organizational performance (Havlovic, 1991).

Thus, quality of work life is important to organizational performance (Grayson, 1973). In an organization, a high level of quality of work life is necessary to continue to attract and retain employees (Motowidlo et al., 1986). Studies demonstrate that employees with high QWL tend to report high levels of identification with their organizations, job satisfaction, job performance and lower levels of turnover and personal alienation (Efraty, Sirgy & Claiborne, 1991). Sayeed and Sinha (1981) examined the relationship between QWL and Job satisfaction. The result indicated that higher QWL leads to greater job satisfaction and better performance. Quality of work life is an important factor that affects motivation at work (Ghosh, 1992). Bhatia and Valencia (1981) studied the absenteeism rates of textile factory and recommended that closer attention should be paid to improve the Quality of Work Life. Gupta and Khandelwal (1988) conducted a study and found a significant positive relationship between quality of work life and role efficiency. They also found that supervisory behavior is the most important

dimension of the quality of work life contributing 21% of the variance in the employees' role efficiency.

Che Rose et al (2006) concluded that the most important predictor of QWL is organizational climate, followed by career achievement, career satisfaction and career balance. Common beliefs support the contention that QWL will positively nurture a more flexible, loyal and motivated workforce, which is essential in determining the company's competitiveness (Allan and Loseby, 1993; Meyer and Cooke, 1993; Bassi and Vanburen, 1997). Roth (1993) found statistically significant correlations between a measure of QWL and business performance (in terms of market performance, stakeholder value, and business sustainability) as well as differentiating competitive capabilities (in terms of service quality, delivery, employee knowledge, flexibility, and technological leadership). Hossain and Islam (1999) revealed that there was a significant positive correlation between QWL and job satisfaction. A significant positive correlation was also found between QWL and performance and job satisfaction and performance. In another important study May, Lau and Johnson (1999) pointed out that companies offering better QWL and supportive work environments would likely gain leverage in hiring and retaining valuable people and companies with high QWL enjoy exceptional growth and profitability (Lau & May, 1998).

Lowe et al. (2003) in their study observed that workers are likely to perceive their workplace in a positive way if certain conditions exist in the workplace. The conditions identified by them include having reasonable demands, high intrinsic and extrinsic rewards, good social support, influence over workplace decisions, and available resources to do the job. Saklani (2004) stressed that with the ever-changing technology and increased access to information, the study of organizations with respect to productivity, efficiency and quality of services very crucial in order to improve the performance of work in India. Worrall and Cooper (2006) reported that a low level of well-being at work is estimated to cost about 5-10 per cent of Gross National Product per annum, yet Quality of Working Life as a theoretical construct remains relatively unexplored and unexplained within the organizational psychology research literature. Ballou et al., (2007) examined the concept of work life quality for corporate employees. Their study revealed that

corporations which focus on creating a more satisfied and loyal work force can be shown to improve their financial performance by all accounting metrics. Normala, Daud (2010) investigated the relationship between Quality of Work Life and organizational commitment among employees in Malaysian firms. The results revealed that QWL and Organizational Commitment are a multidimensional construct and is a product of the evaluation of one's work place. This study provided information how employees in organizations view their work environment.

The foregoing review of national and international literature on the subject reveals that, there is much research, both conceptual and empirical, especially in western countries. But in Indian context, the QWL movement is considered rising. Not much empirical work has been conducted in India. Most of the works in this area are on theoretical and descriptive nature. However, a few studies have been reported from India which tried to relate QWL to job satisfaction, work performance and managerial expectation to some demographic variables. Therefore, the present study attempts to examine the existence of QWL in Life Insurance Corporation of India. It also explores the perception of employees on different QWL aspects.

OBJECTIVES OF THE STUDY

Based on the review of literature the objectives of the study are confined to :

- identify the critical factors of Employee's Quality of Work Life in LIC of India; and
- identify the satisfaction level of employee's with quality of work life dimensions.

RESEARCH METHODS

Sampling Procedure

The sample for this research includes the permanent employees of Life Insurance Corporation of India. Data was collected from 360 employees from Varanasi Division of LIC of India. The data were collected using stratified random sampling. The sample demographics are as follows: (1) Age: Maximum 36.1 percent employees were between the age group of 36-45 years. (2) Education: 46 % of the respondents had a graduate degree followed by post graduates (40.8%) and professionals (8.9%). (3) Designation: Majority of respondents belong to class-3 designation (66%) followed by class-1 and class-2

(17%). (4) Experience: About 40% employees belong to more than 20 years experience and rests are below 20 years of experience. (5) Monthly Salary: majority of respondents (29%) are drawing monthly salary more than Rs.45, 000. (6) Gender: About 88 % employees belong to male category and remaining 12% are female respondents. (7) Marital Status: 90.6% were married and 9.4% respondents were single. (8) Residential Background: 47.5% of the sample employees were residing to rural area followed by urban (44%) and semi-urban area (8.3%). Participants were informed that the study aimed to investigate the quality of work life. They were also told that all individual responses would be kept confidential and anonymous.

CONSTRUCT DEVELOPMENT

The required data to fulfill the objectives of the study was collected with the help of a comprehensive questionnaire. An extensive literature survey (Walton 1973; Carlson 1978; Sinha and Sayeed 1980; Rao 1993; Chander 1993 and European Foundation for the Improvement of Living and

Working Condition; 2006) was done to design the questionnaire. In the present study, Quality of work life in Life Insurance Corporation of India has been measured with the help of the 45 variables. The questionnaire had two different sections. The first section of questionnaire widely covers the quality of work life issues under 34 variables and the last section was aimed to collect the personal information of respondents under 11 variables. The scholar has comprehensively used 5 point Likert Scale to indicate a degree of satisfaction or dissatisfaction with each of the selected QWL variables.

RESULT AND DISCUSSION

VALIDITY OF EXPLORATORY FACTOR ANALYSIS (EFA)

The present research paper has made an attempt to narrate the QWL variables in to QWL factors. Before the application of EFA, it is imperative to test the validity of data for EFA. It is tested with the help of Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) and Bartlett's Test of Sphericity. The result is given in the following table 1

Table 1: Result of KMO and Bartlett's Test of Sphericity

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.900
Bartlett's Test of Sphericity	Approx. Chi-Square (χ^2)	3976.984
	d.f	561
	Sig.	.000

The Kaiser-Mayer-Olkin (KMO) measure verified the sampling adequacy for the analysis. The KMO calculated is found to be 0.900. This score indicates that the sample is 'superb' for factor analysis

(Field, 2009). The $\chi^2(561) = 3976.984, P < .001$, indicated that correlation between items were sufficiently large for factor analysis. Both these results indicate the validity of data for EFA.

Table 2: Result of Factor Analysis of the Attributes Influencing Quality of Work life

S. N	Name of Factors	Name of Items	Loading	Eigen Value	% of Variance	Com. % Variance
1	Social Integration and Constitutionalism	Work Group Relationship	.694	8.951	8.274	8.274
		Team Work Commitment	.676			
		Freedom from Prejudice	.511			
		Worker's Right	.464			
		Valorization of the workers' ideas	.425			
		Respect to the workers Individuality	.416			
		Freedom of Expression	.391			
		Satisfaction of the Norm & Rules	.328			

2	Work- Life Balance	Work influence on Leisure	.693	2.017	7.486	15.759
		Work Influence on-Family Life	.583			
		Balancing Work and Rest	.567			
		Work Journey	.507			
		Quantity of Workload	.478			
		Tiredness	.405			
		Work Responsibilities	.318			
3	Work- Place Environment	Workplace Condition	.727	1.926	6.779	22.538
		Safety and Security	.579			
		Technological Support	.437			
		Polyvalence	.338			
4	Societal Importance of Work	Satisfaction with Company Image	.624	1.539	5.582	28.121
		Social Prestige	.532			
		Community Integration	.519			
		Service Quality	.400			
		Human Resource Politic	.383			
5	Adequate & Fair Pay	Salary Equality	.723	1.343	5.536	33.657
		Satisfaction with Remuneration	.702			
6	Opportunities for Learning and Development	Training	.713	1.176	4.721	38.378
		Professional Growth	.523			
		Encouragement for Higher Studies	.433			
7	Job Incentives	Extra Benefit	.539	1.083	2.792	41.169
		Rewards and Participation	.424			
8	Job Design	Autonomy	.381	1.023	2.151	43.320
		Work Value	.316			

An initial analysis is run to obtain eigen values for each component in the data. It is found that eight components have eigen values over Kaiser's criterion of 1 and in combination explained 43.32% of the variance. Therefore, all the factors with latent root less than 1 are concluded to be insignificant and ignored. The variables included in each QWL factors have been identified with the help of its factor loading. The data reveals that there are eight major factors that affect the quality of work life of life of employees in Varanasi Division of Life Insurance Corporation of India. The most important QWL factor is social integration and constitutionalism since its eigen value and the percent of variation explained by it are 8.951 and 8.274 respectively. The next four important QWL factors are work life balance, work place environment, societal importance of work and adequate and fair pay. The percent of variation explained by these factors are 7.486, 6.779,

5.582 and 5.536 respectively. The last three QWL factors identified by the EFA are leaning and development, job incentive and job design since their respective eigen values are 1.176, 1.083 and 1.023 respectively. The percent of variation explained by the above three factors are 4.721, 2.792 and 2.151 respectively.

RELIABILITY ANALYSIS

Reliability refers to the extent to which a scale produces consistent results if repeated measurements are made. In other words it is defined as the extent to which any measuring instrument yields the same result on repeated trials (Carmines and Zeller, 1991). Therefore, to ensure the inner consistency of the present instrument, the scholar has conducted the Cronbach's alpha reliability analysis of the newly created factors as well as for the entire set. The result is given in the table 3.

Table 3: Reliability Analysis of Extracted Factors of QWL

S.No	Factors	No of variables	Cronbach alpha (α)
1	Social Integration and Constitutionalism	8	.815
2	Work Life Balance	7	.761
3	Work- Place Environment	4	.708
4	Societal Importance of Work	5	.712
5	Adequate and Fair Pay	2	.776
6	Opportunity for Learning & Development	3	.681
7	Job incentives	2	.707
8.	Job Design	2	.459
	Overall	33	.838

Based on the classification of alpha's values, proposed by Freitas and Rodrigues (2005), it can be stated that the factor-8 "Job Design" is the only one that presents low consistency, and factor-1 "Social Integration and Constitutionalism" shows high

consistency. However, the remaining six factors are classified with a moderate consistency. In total the alpha (?) of the whole instrument was calculated 0.838 which guarantees a very high inner consistency to the adapted instrument proposed in this study.

EMPLOYEES' SATISFACTION LEVEL WITH QWL DIMENSIONS

Table 4: Level of Satisfaction with the Quality of Work Life Aspects (N=360)

S.No	Factors	Mean Score	Remarks
1	Social Integration and Constitutionalism	3.63	Satisfied
2	Work Life Balance	3.42	Moderately Satisfied
3	Work- Place Environment	3.06	Moderately Satisfied
4	Societal Importance of Work	3.90	Satisfied
5	Adequate and Fair Pay	3.45	Moderately Satisfied
6	Opportunity for Learning & Development	2.97	Moderately Satisfied
7	Job incentives	3.03	Moderately Satisfied
8.	Job Design	3.60	Satisfied
	Overall Quality of Work Life	3.38	Moderately Satisfied

(1=Very Dissatisfied, 2= Dissatisfied, 3= Neither Satisfied nor Dissatisfied, 4= Satisfied and 5= Very Satisfied)

Based on the findings in Table 4, it can be concluded the employees of Varanasi Division of LIC of India are satisfied only with three dimensions i.e., Social Integration and Constitutionalism, Societal Importance of Work and Job Design. However, they indicated moderate satisfaction towards Work Life Balance, Workplace Environment, Adequate and Fair Pay and Learning and Development. None of these factors received scores above 4 (satisfied) and the degree of employee's satisfaction towards overall QWL are also found moderate.

CONCLUSIONS AND PRACTICAL IMPLICATIONS

The present study has been carried out in Varanasi Division of Life Insurance Corporation of India. The in-depth analysis of data revealed that there are eight important factors which affect the quality of work life of employees. These are: (1) Social Integration and Constitutionalism; (2) Work Life Balance; (3) Work Place Environment; (4) Societal Importance of Work; (5) Adequate and Fair Pay; (6) Opportunity for Learning and Development, (7) Job Incentives and (8) Job Design. The study established that the respondents have an average satisfaction level with almost all the above factors of QWL. Thus,

the study has important managerial implications for HRD practitioners and policy makers of life insurance industry in India. The findings of this study is indicative towards a growing need of organizations to inculcate a healthy QWL strategy to foster an ethical corporate culture and to increase employee well being and organizational effectiveness. Therefore, the Life Insurance Corporation of India should improve all the eight dimensions of QWL, mentioned in the study to enhance the employee's overall quality of work life. It will not only benefit the organizations explicitly but also implicitly by employee satisfaction. Further, employee satisfaction will ensure greater engagement and commitment to their jobs and organization.

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