

## **The Effects Of High-Performance Work Practices On Psychological Well-Being And Work-Life Balance: An Empirical Investigation**

Suryalee Athwaria<sup>1</sup>, A. K. Srivastava<sup>2</sup>

<sup>1</sup>(Research Scholar, Dept. of Psychology, Banaras Hindu University, India)

<sup>2</sup>(Professor, Dept. Of Psychology, Banaras Hindu University, India)

Corresponding Author: Suryalee Athwaria

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**ABSTRACT:** *The study examines the relationship between high-performance work practices (H-PWPs) and psychological well-being and work-life balance of employees in the Indian Service Sector. This study throws light on the potential dark-sides of H-PWPs, which are portrayed as highly positive by most past researches. We analyzed the effects of strain induced by H-PWPs implementation on psychological well-being and work-life balance of employees randomly selected from Private sector banks in NCR, India. Using a sample of 150 employees, results from correlation, and stepwise regression analyses showed that some of the potential H-PWPs like; selective hiring, performance-based pay, high productivity and quality, autonomy and extensive training are strongly associated with psychological ill-health and work-life imbalance. Therefore, organizations have to rethink and pay close attention to balance between the practices that release human potential and that increase the intensity of work.*

**KEYWORDS:** *H-PWPs, psychological well-being, work-life balance*

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### **I. INTRODUCTION AND LITERATURE REVIEW**

High-Performance Work Systems (HPWS) have become highly valuable as a source of competitive advantage in today's competitive business environment. Human resource management capabilities are essential for inviting the pool of potential candidates, selecting, retaining, motivating and developing them into an efficient workforce in the organization. Meanwhile, organizational culture, considered as a form of organizational capital may also be a driver for sustained competitive advantage. Organizations attempt to enhance their human capital and firm-level performance by applying high-performance work practices (H-PWPs; Huselid, 1995). H-PWPs are a set of human resource management practices from three broad categories: high employee involvement practices, human resource (HR) practices, and reward and commitment practices (Sung & Ashton, 2005). H-PWPs are intended to increase beneficial individual outcomes (e.g., commitment, knowledge, skills, and abilities) and, subsequently, firm performance (Jiang, Lepak, Hu, & Baer, 2012). A growing body of literature on strategic HR management supports the usefulness of HPWPs (Chaudhuri, 2009) by arguing for their positive impact on the individual- and organization-level outcomes (Huselid, 1995). Also, studies set in manufacturing contexts show that such work practices are associated with superior outcomes across many critical operating dimensions, such as productivity, time-to-market, and production quality.

However, although the mainstream view of HPWPs argues for beneficial outcomes, not all assessments of HPWPs are positive research on the critical perspective of H-PWPs has been quite inconclusive (Godard, 2001; Kalmi & Kauhanen, 2008). Authors have reported strong relationships between unitary measures of H-PWPs and undesirable employee outcomes such as excessive levels of work intensification (Godard, 2001), work-family spill-overs (White et al., 2003) and emotional exhaustion (Kroon et al., 2009); some have reported partial support for the links between H-PWPs and work intensification (Ramsay et al., 2000); and others have found negative relationships between H-PWPs and work intensification (Macky & Boxall, 2008) or employees' perceptions of psychological strain (Harley et al., 2010). Thus, in this paper, we investigate whether the findings from manufacturing establishments can be extended to service workplaces.

We examine work practices and outcomes in retail bank branches, small service establishments that differ considerably from the settings of previous research. The bank is a big service organization in India. The nature of the job of banking employees is very tiresome as it involves long working hours, inappropriate reward system, and lack of job autonomy and role conflict. There is no such thing like stress-free job. Every person in their work is exposed to tension and anxiety as they get through the duties assigned to them. Many studies have been conducted on different levels of bank employees, but the survey of literature on the influence of H-PWPs

on psychological well-being and work-life balance have shown that domain specific, H-PWPs simultaneously have not found to be studied among private sector bank employees frequently, concerning psychological well-being and work-life balance. Secondly, this study contributes to the growing literature on the micro-foundations of H-PWPs. A large part of the existing H-PWP literature focused on organizational or team-level outcomes, while studies on individual level outcomes of H-PWPs remain scant (Jiang et al., 2012). Our study adds to this emerging literature stream by theorizing and empirically testing the relationship between organizational level H-PWPs and employees' psychological well-being and work-life balance.

Therefore, keeping the literature in view, the objective of the present study is:

-To provide insight towards the effects of H-PWPs on psychological well-being and work-life balance among employees in Indian private sector banks.

### **High-Performance Work Practices and Psychological Well-being & Work-Life Balance**

Psychological well-being, as summed up by Huppert (2009), is about lives going well, it is the combination of feeling good and functioning effectively. Although studies regarding the HPWS and organizational performance have shown a positive association, there has been disagreement regarding the actual effect of HPWS on employees' health and well-being. Godard (2001) found that the adoption of high-performance practices on higher levels lead to a decline in satisfaction and increased stress, and both stress and fatigue are related to team-based work. Increased cumulative trauma disorders and short-term sickness absence have also been found to be associated with certain productivity/quality centered practices, such as a quality circle, just-in-time production, innovative work practices, and incentive pay. However, some varied results have also been reported by the researchers.

Regarding the well-being impacts that originate from the design and implementation of HRM in organizations (Grant, Christianson, & Price, 2007); the analysis suggests the negative impact on psychological and physical well-being. Literature indicates that the findings of these studies have found statistical associations without explicitly modeling and measuring the intermediary mechanisms (Kalleberg et al., 2009). If indeed the implementation of H-PWP regime is associated with an increase in work demands and pressure, then work intensification can be said to play a mediating role between such practices and poor employee attitudes and well-being (Ogbonnaya & Daniels, 2013).

Work-life balance is about people having control over when, where and how they work. It is said to be achieved when a person's right to a fulfilled life inside and outside paid work is acknowledged and respected as the norm, to the mutual benefit of the individual, business and society" (Agarwal, 2007). Many organizations today are facing the pressure of market-driven globalization and an unwavering demand for growth and efficiency (Mauno et al., 2006). The increased need for employee work-life balance initiatives has resulted in, work-life balance and work-life conflict researches in the last two decades. Ramsay et al. (2000) noted that H-PWS are associated with employees' experiencing job strain, and lower pay satisfaction. According to researchers, practices such as appraisal systems had a significant effect on increasing this spillover for both men and women. White et al. (2003) examined the possibility of repercussions beyond the workplace through a detailed look into the impact that working hours and selected high-performance practices have on the negative job to home spill-over. Researchers proposed that it seems "plausible that high-commitment or high-performance management will have a negative impact on the home domain of workers to the extent they are designed to elicit greater discretionary effort in pursuit of the organization's goals." This negative impact is counterproductive for many of the claims that state that H-PWS are suitable for both the employee and the employer. It is a general observation that H-PWPs and long working hours are damaging family ties and social relations. How H-PWPs affect employees' work-life balance and cause, negative job-to-home spill-over has not been investigated extensively.

Thus, this study is intended to add to the body of research in the field of Strategic HRM by exploring the neglected role of employees as the primary recipients of H-PWPs. By doing so, we also try to extend the theoretical understanding of how H-PWPs may affect the psychological well-being and work-life balance among employees. It is therefore essential to explore beyond the organization level to focus on the relevance of employees in shaping the outlook of organizations embracing High-Performance Work Culture.

## **II. METHODOLOGY**

### **2.1 Sample**

The present investigation aimed to study the "influence of H-PWPs on psychological well-being and work-life balance on the sample of employees working in private sector banks." For this purpose employees of managerial level from private (n=150) sector banks by using the purposive sampling, were taken. The private sector banks are those banks which are governed by the non-government organization. Managers of each bank were approached and requested for co-operation from their employees to fill up the questionnaire. They were convinced that their responses would be kept confidential.

## 2.2 Tools of Measurement

In behavioral sciences measurements considered a very complex task but a necessary means to understand human experiences and behavior. Among the various methods used in behavioral sciences, especially in psychology, the questionnaire method is considered the most convenient method for understanding or gaining information about specific issues. The psychological tools were standardized before administration. The description of various tools used in this investigation is given below:

### High-Performance Work Practices Index

The author developed HPWPs Index. It was administered in the randomly selected small sample in order to ascertain the suitability of the organizations for the present study. Cronbach's alpha coefficient for the scale was found to be .935. It was used to assess the extent of strain and inconvenience induced by H-PWPs..

### Psychological Well-Being Scale

The General Well-Being (GWB) Schedule, developed by Harold Dupuy (1977) was used. The General well-being schedule is a self-administered questionnaire that focuses on one's subjective feelings of psychological well-being and distress. Cronbach's alpha of the scale was found to be 0.86.

### Work-Life Balance Scale

The work-family balance scale developed by Hill et al.(2001), based on spill-over theory was used to measure the extent to which an individual was able to balance the emotional, behavioral and time demands of both paid work and family simultaneously. Cronbach's alpha of the scale was found to be 0.83.

## III. RESULTS

The primary aim of present endeavor was to see the "influence of high-performance work practices on psychological well-being and work-life balance among bank employees." In order to meet the objectives that are evident from the problem and hypotheses, the analyses of the data were carried out by applying the correlation analysis and the stepwise multiple regression analyses on the sample group of private sector bank employees.

The analysis was performed using SPSS 21 version, it yielded complete results in different steps, but we are only using the tables of correlation, model summary & coefficients which reveal the number of best predictors which influence the dependent variable.

**Table 1. Demographic profile of respondents**

Information	Total	Percentage
<b>Age</b>		
20-29	28	18.6%
30-39	57	38.0%
40-49	43	28.6%
50-59	22	14.6%
<b>Total</b>	<b>150</b>	<b>100%</b>
<b>Gender</b>		
Male	116	77.3%
Female	34	22.6%
<b>Total</b>	<b>150</b>	<b>100%</b>
<b>Educational Qualifications</b>		
UG	65	43.3%
PG	36	24.0%
DOCTORATE	02	1.3%
Professional	47	31.4%
<b>Total</b>	<b>150</b>	<b>100%</b>

**Table 2. Coefficient of correlation of H-PWPs with Psychological well-being and Work-Life Balance amongst Bank Employees (N=150)**

Variables	PWB	WLB
H-PWPs (Total)	-.264**	-.361**
Selective Hiring	-.275**	-.254**
Performance-Based Pay	-.141*	-.172**
High-Productivity & Quality	-.213**	-.284**
Autonomy	-.177*	-.199**
Extensive Training	-.236**	-.190**

\*\*p<.01, \*p<.05

Table 2: The correlation result shows the expected way of the relationship between the variables. The results infer that H-PWPs and psychological well-being and work-life balance are negatively related to each other. This also indicates the fact that, an increase in strain caused by H-PWPs degrades the psychological well-being and work-life balance. All the H-PWPs namely selective hiring, performance-based pay, high-productivity

& quality, autonomy, and extensive training are significantly negatively correlated with psychological well-being and work-life balance amongst employees in banks.

**Table 3. Stepwise Multiple Regression: Predictors of Psychological Well-Being of Bank Employees (N=150)**

Model	R	R Square	R <sup>2</sup> Change	beta	F change
1	.206a	.042	.042	-.233	6.542*
2	.274b	.075	.033	-.199	5.152*
3	.324c	.105	.031	-.176	4.978*

- a. Predictors: (Constant), ET
  - b. Predictors: (Constant), ET, HPQ
  - c. Predictors: (Constant), ET, HPQ, SH
- Dependent variable: Psychological well-being

Table 3 revealed the fact that the strain induced by extensive training, high-productivity and quality and selective hiring contribute 4.2%, 3.3%, and 3.1% respectively to the psychological ill-health. Moreover, F-change values 6.542, 5.152 and 4.978 have also found significant at  $p < .05$  level. Stepwise multiple regression analysis successfully identified these significant components of H-PWPs viz. extensive training, high-productivity & quality and selective hiring. These practices have detrimental effects on the psychological well-being of bank employees.

**Table 4. Stepwise Multiple Regression: Predictors of Work-Life Balance amongst Bank Employees (N=150)**

Model	R	R Square	R <sup>2</sup> Change	beta	F change
1	.241a	.057	.057	-.252	9.117**
2	.310b	.098	.041	-.198	6.152**

- a. Predictors: (Constant), ET
  - b. Predictors: (Constant), ET, HPQ
- Dependent variable: Work-life balance

Table 4 highlights that the strain caused by extensive training and high-productivity & quality, facets of H-PWPs contribute 5.7% and 4% respectively to the work-life imbalance. Out of 5 practices only two have emerged as significant variables for work-life balance as it is also being confirmed from F-change value 9.117 and 6.152, found significant at  $p < .01$  level of significance. It can be inferred that extensive training and high-productivity and quality have adverse effects on the work-life balance among employees.

#### IV. DISCUSSION

With the increasing importance of and attention towards positive psychological constructs or attributes and impact of High-Performance Work-Practices, this study was conducted with the aim of examining the relationship between psychological well-being, work-life balance and H-PWPs selective hiring, performance-based pay, high-productivity & quality, autonomy, and extensive training. Based on social exchange theory, our findings suggest that employees' perceptions of strain induced by high-performance work practices likely affect employees' psychological well-being and work-life balance.

Employees feel that there are too many expectations from the significant numbers in their role set although; they are offered autonomy at their workplace. They are obligatory to finish their daily transaction, and they have to take 'responsibility for persons' to satisfy customers. Due to more competition among banking sectors, employees are becoming forced to work in over timings. In banks, the average workweek for non-supervisory workers in depository credit intermediation was 36.2 hours in 2008. About 8% of employees in 2008, mostly cashiers, worked part-time. (Bureau of Labour Statistics 2010-11). In order to improve customer service and provide greater access to bank personnel, banking staff is facing 'strenuous working condition,' and they are being exhausted in their work schedule of 8 to 9 hours. The more time people spent working, the more they tended to have a work-family imbalance. This work-family conflict leads to stress (Parasuraman et al., 1992). Banks often provide opportunities and encourage employees to take classes of the different aspects of finance and banking, such as accounting and budget management, corporate cash management, financial analysis, international banking in order to train their employees. Selective hiring and training may improve quality and abilities of workforce and workers' chances of advancing to higher level positions and skill developments, but it has been found to have a negative effect on psychological well-being and work-life balance. Kalmi and Kauhanen (2008) found staff training to have a positive relationship with work intensification. This finding raises the possibility that employees may perceive training and development

programs as a further burden of responsibility associated with the job. Similarly, however, performance-based pay is said to associate with working more extended hours, but those earning more, are also likely to report higher levels of overload and managerial demands on their time, as well as higher stress and work-life imbalance. Our results show that higher levels of work intensity pose risks to employee well-being, increasing fatigue and stress and contributing to the work-life imbalance. In a nutshell, one can expect implementations of HPWSs to be beneficial for workers when two conditions are met. First, the individual's experience of autonomy is genuinely improved, fostering the skill utilization and creativity that can come from greater control (e.g., Felstead et al., 2010; Gallie, 2013). This, as Appelbaum et al. (2000) argue, is likely to work best when involvement sits within an organizational context that fosters good communication, reward fairness, and individual development.

Nevertheless, the high-performance work practices are an essential set of practices for employees' work-family balance that should buffer some of these negative consequences. However, the study strongly emphasizes that with the adoption of HPWS practices the organizations value employees' lives outside the work context. Moreover, these results have particular relevance under the current work conditions that employees experience.

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