

## Employee Perspective on Transition to *Five Day Work Week* in the Banking Sector

Prof. Somesh Kumar Shukla<sup>1</sup>, Anjali Rai<sup>2</sup>, Nidhi Mishra<sup>2</sup>

<sup>1</sup>Professor, Department of Commerce, University of Lucknow

<sup>2</sup>Research Scholar, Department of Commerce, University of Lucknow

Email:raianjalilko@gmail.com

### ARTICLE INFO

Received: 3 Aug 2024

Accepted: 8 Sep 2024

### ABSTRACT

#### **Purpose:**

It explores factors influencing employee preferences for a condensed work schedule, such as satisfaction with shortened work weeks, willingness to adapt, and socio-economic considerations.

#### **Design/Methodology:**

The research utilized purposive convenience sampling to collect relevant data from employees across various banks in the state of Uttar Pradesh. Data was gathered through visits to bank branches and personal interviews with operational employees, resulting in 300 appropriate respondents. The analysis was conducted using the partial least squares structural equation modeling (PLS-SEM) method, which is noted for its effectiveness in estimating complex path models containing latent variables and their relationships. PLS-SEM has garnered considerable attention for its reliability in assessing and refining theoretical concepts, demonstrating robust outcomes in this study.

#### **Findings:**

The findings underscore the positive ramifications of transitioning to a five-day work week, including increased job satisfaction and potential productivity gains. The study recommends banking institutions to recognize the importance of this transition in their strategic planning to enhance employee retention and organizational performance.

#### **Research Implications:**

Future research avenues include exploring long-term impacts and demographic variables on employee well-being and organizational dynamics. Overall, the shift to a five-day work week presents promising prospects for increasing job satisfaction and operational efficiency in the banking sector.

#### **Originality/Value:**

This study adds to the existing literature on the five-day work week in banks by exploring the relationship between employee willingness, the social and economic factors and implementation of five day work week. It aims to illuminate how these elements interact and influence the adoption process. The research examines employees' willingness to embrace a five-day work week, the effects of such an implementation on productivity and customer service, and the broader social and economic consequences. By addressing these variables, which have not been extensively covered in previous studies, this research provides a comprehensive and original analysis of the five-day work week in the banking sector.

**Keywords:** *five day work week, job satisfaction, work life balance,*

## 1. Introduction

With digitalisation in banking, individuals are able to utilize banking services at a tap of the button. Customers may now access banks at *any time any day*, thanks to online banking. Additionally, handling big sums of money has been simpler. Customers have also benefited from digitization by making cashless purchases easier. Consumers can now conduct transactions at any time and from any location without needing to keep currency on hand. Remote banking and Neo banking has now become more prevalent with digitalization in banking.

Digitalisation has made the customers to utilise banking services from anywhere without visiting the branch hence the employees work load in offices or we can say customer dealing has reduced to an extent, hence it has paved way to modify the working system in banking industry. Digitalisation has enabled the banking employees to give a thought to restructure the working pattern of employees. Even at the time of COVID 19 pandemic when the whole country was locked down but banks were operating. Now when the different sector are implementing new forms of working like flexible working, remote working, flexitime. Bank employees also urge to implement such form in their sector. For years banking sector has been operating on a six-day work week i.e. including all Saturdays. It is after the year 2015 that RBI approved banks including foreign banks will have a public holiday on second and fourth Saturday. Currently, banks are closed on the second and fourth Saturdays. For a very long time, bank employees have insisted on five days work week in banks. The desire from bank employees existed even prior to 2015; however, five day work week could not be realised and only the second and fourth Saturdays could be designated holidays since there were disagreements over increasing hours of operation on the other days of the week. Although bank management have expressed worries about how it will affect their companies and profitability, businesses and industries also worried that it may have an effect on the flow of credit and business operations. The fact that India has jumped ahead in digital banking and moved the majority of transactions, including funds transfers and settlements, to mobile and online banking apps, could help the banking sector even with the loss of two working days every month. ATMs can now be used to deposit and withdraw cash. Five-day banking could soon be a reality after many bank staff unions have repeatedly petitioned for and represented the idea for almost a year.

Indian Banking Association (IBA), a body that represents the managements of Indian banks, agreed to the industry's demand that all Saturdays be declared bank holidays in a meeting. The demand was made by the unions that represent bank employees. A proposal has been sent to the minister of finance by the IBA for approval. Thus, banking employees are hopeful that five day work week could soon be implemented.

In the light of this discussion, this paper focuses upon the transition from traditional schedule to five day work week and its beneficial impacts. It also discusses how bank employees are willing to work in five day workweek and what factors influences them.

### 2. Objectives

1. a) To analyse the willingness of employees towards adopting a five day work week  
b) To assess the impact of implementing five day work week on job satisfaction of bank employees
2. a) To analyse the impact of social factors resulting from the implementation of five day work week on bank employees  
b) To analyse the impact of economic factors resulting from the implementation of five day work week on bank employees

## 3. Literature Review

The adoption of five-day workweek in the banking sector has attracted notable attention due to industry's nature, customer needs, and strict regulatory standards.

### Job Satisfaction

Different authors and researchers have varying definitions of job satisfaction. One of the old definitions of job satisfaction described it as an "effective orientations on the part of the individuals towards work roles which they are presently occupying". (Vroom) This definition emphasizes that job satisfaction is linked to individuals' emotional and attitudinal connection to their work roles. It suggests that satisfaction goes beyond tangible job aspects like pay and benefits, encompassing feelings about roles, responsibilities, and the work environment. It highlights the personal sense of fulfilment or happiness derived from work. Over time, various authors and researchers have expanded on this definition, considering additional factors such as intrinsic motivation, work-life balance, and organizational culture.

Job satisfaction is widely recognized as a significant factor in evaluating the productivity and success of any business organization.

### **Productivity and Work Life Balance**

The transition to a five-day workweek in the banking sector, while drawing attention due to the industry's unique attributes, customer demands, and rigorous regulatory standards, has primarily spotlighted the potential for enhanced productivity and work-life balance among employees.

Despite initial concerns, studies indicate that the shift to a five-day workweek in banking can actually improve productivity. Employees tend to exhibit higher focus and efficiency during their condensed workdays, optimizing their output per hour.

Also reducing workdays has been linked to better work-life balance, allowing banking professionals more time for personal activities, rest, and family. This balance tends to result in increased job satisfaction and reduced burnout rates among employees.

By condensing the workweek, banking institutions aim to not only potentially heighten productivity through focused working hours but also to promote employee well-being by granting them more time for personal pursuits and relaxation. This dual benefit aligns with the sector's goal of maintaining operational efficiency while ensuring employee satisfaction and performance. (Chaitanya & Raghuramatruni, 2022)

### **Employee Well-being and Customer Satisfaction**

The transition to a five-day workweek in the banking sector, driven by considerations of employee well-being and customer satisfaction, holds promise for a harmonious balance between workforce contentment and enhanced service quality.

Shortening the workweek in banking is expected to significantly boost employee well-being. Reduced stress levels and improved work-life balance contribute to higher job satisfaction and better mental health among bank employees.

While adjustments in operating hours may be necessary, strategically managing a five-day workweek can positively impact customer satisfaction. Employees, with improved well-being and focus during their working days, are likely to provide more attentive and quality service, elevating overall customer experience.

By prioritizing employee well-being, banking institutions anticipate a more engaged and content workforce, translating into heightened customer service quality. The synergy between satisfied employees and improved service delivery fosters a virtuous cycle, potentially strengthening customer relationships and loyalty within the banking sector. (Gautam, 2023)

### **Social and Economic factors**

The transition to a condensed five-day workweek represents a complex interplay between social and economic factors, as highlighted in existing literature. On the social front, this shift holds promise for bolstering employee well-being and fostering a healthier work-life balance. Studies consistently affirm the positive impacts of reduced stress levels and improved mental health among employees with fewer working days. Moreover, it aligns with evolving societal norms, providing individuals with more time for family engagements, personal pursuits, and community involvement. Concurrently, from an economic standpoint, while concerns regarding decreased productivity exist, evidence suggests otherwise. Employees often exhibit heightened focus and efficiency during compressed workdays, potentially leading to increased productivity per hour worked. However, the implementation of a five-day workweek requires careful consideration of operational adjustments, labour costs, and its broader impact on employment patterns and organizational competitiveness within the market. Understanding these intertwined social and economic dynamics is paramount for organizations and policymakers aiming to navigate this transition effectively. (Sahu, 2023)

### **3.1 Hypothesis**

Ho: There is no significant impact of social and economic factors resulting from the implementation of five day work week on bank employees job satisfaction

Ho: There is no significant impact of shortened work week on employees job satisfaction

Ho: There is no significant association between willingness of employee to adopt five day work week and job satisfaction

## **4. Research Methodology**

A survey was created using Google Forms and circulated through digital channels such as Email and WhatsApp. The questionnaire comprises of two sections. The first part aims to gather demographic

details from respondents, encompassing gender and their employment sector (public or private). The second part delves into assessing the levels of agreement and disagreement among employees regarding the different variables considered in the study. The data collection method utilized purposive convenience sampling to gather relevant data from employees across various banks. To collect data, visits were made to various bank branches, and personal interviews were conducted with operational employees of the banks. Out of collected data, 300 respondents were found to be most appropriate. The data was collected from banking employees from the state of Uttar Pradesh, within the period of October 2023 to January 2024.

The analysis was conducted using the partial least squares method that was originally proposed by Wold in 1992. For estimating complex path models containing latent variables and their relationships, PLS-SEM has garnered considerable attention (Sarstedt, Ringle, & Hair, 2017). Furthermore, in the assessment and refinement of theoretical concepts, structural equation modelling has demonstrated reliable outcomes (Hair, Sarstedt, Pieper, & Ringle, 2012)

## 5. Analysis

### Assessment Reflective Measurement Model:

	JS	JE	SSW	WL
JS_1	0.771			
JS_2	0.769			
JS_3	0.821			
JS_4	0.802			
SE_1		0.761		
SE_2		0.733		
SE_3		0.816		
SE_4		0.755		
SSW_1			0.843	
SSW_2			0.723	
SSW_3			0.605	
SSW_4			0.649	
WL_1				0.886
WL_2				0.861
WL_3				0.836

**Table 1: Outer Loadings**

The outer loadings of all items are strong for the JS(Job Satisfaction), SE(Social and Economic factors), and WL (Willingness) constructs, all above the 0.7 mark, reinforcing their reliability. However, for the SSW (Shortened work week) construct, two items (SSW\_3 and SSW\_4) fall below this benchmark, suggesting that they may not be as robustly associated with the construct as the other items.

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
JS_	0.801	0.804	0.870	0.625
SE_	0.767	0.775	0.851	0.588
SSW_	0.677	0.738	0.801	0.505
WL_	0.827	0.847	0.896	0.742

**Table 2: Construct reliability and validity**

### Reliability and Validity

The constructs of Job satisfaction (JS), Social and economic (SE), and Willingness exhibit high internal consistency, with Cronbach's alpha and composite reliability values well above the acceptable threshold of 0.7. Satisfaction with Shortened Work Week (SSW) has a slightly lower Cronbach's alpha of 0.677 but compensates with satisfactory composite reliability.

### Convergent Validity

Convergent validity is demonstrated for all constructs, with Average Variance Extracted (AVE) values exceeding the recommended threshold of 0.5. This suggests that the constructs capture a substantial portion of the variance in the observed variables.

### Discriminant validity

	JS	SE	SSW	WL
JS				
SE	0.695			
SSW	0.846	0.693		
WL	0.749	0.706	0.777	

**Table 3: Heterotrait-monotrait ratio (HTMT)**

The Heterotrait-Monotrait( HTMT) ratios are below the conservative threshold of 0.85 for all constructs except the pairing of Job Satisfaction and Satisfaction with Shortened Work Week (SSW), which is marginally above at 0.846. This indicates good discriminant validity, although the close relationship between JS and SSW may require further investigation to ensure clear construct distinctiveness.

Collinearity statistics  
(VIF)

	VIF
JS_1	1.513
JS_2	1.608
JS_3	1.751
JS_4	1.655
SE_1	1.394
SE_2	1.464
SE_3	1.620
SE_4	1.498
SSW_1	1.426
SSW_2	1.416
SSW_3	1.197
SSW_4	1.189
WL_1	1.869
WL_2	1.987
WL_3	1.815

**Table 4: Collinearity Statistics**

**Collinearity:**

Variance Inflation Factor (VIF) values for all items are below the threshold of 5, indicating no concerns of multicollinearity within the model.

### Assessment of the Structural Model:

#### R-square

	R-square	R-square adjusted
JS_	0.539	0.534

**Table 5: R Square Matrix**

#### R-square Interpretation for Job Satisfaction (JS)

R-square ( $R^2$ ): 0.539

This value represents the proportion of variance in the dependent variable (Job Satisfaction) that is predictable from the independent variables (SE, SSW, and WL). An R-square of 0.539 means that approximately 53.9% of the variability in Job Satisfaction can be explained by the model, which is a moderate to substantial amount in social science research.

R-square Adjusted: 0.534

The adjusted R-square compensates for the number of predictors in the model and can be more informative than the regular R-square when comparing models with a different number of independent variables. An adjusted R-square of 0.534 is very close to the regular R-square, which suggests that the number of predictors in the model is appropriate and the model is not overly complex given the amount of data.

#### F-Square

	f-square
SE_ -> JS_	0.048
SSW_ -> JS_	0.207
WL_ -> JS_	0.087

**Table 6: F Square Matrix**

#### F-square Interpretation:

SE -> JS:

f-square: 0.048

This value suggests that the Social and Economic factor has a small effect on Job Satisfaction. According to Cohen's (1988) guidelines, an f-square of 0.02 is considered a small effect, 0.15 a medium effect, and 0.35 a large effect.

SSW -> JS:

f-square: 0.207

The Satisfaction with Shortened Work Week factor has a substantial effect on Job Satisfaction. An f-square value of 0.207 is above the threshold of 0.15, indicating a medium to large effect size.

WL -> JS:

f-square: 0.087

Willingness has a moderate effect on Job Satisfaction, falling between the small and medium thresholds.

The effects of the independent variables on Job Satisfaction vary, with Satisfaction with Shortened Work Week having the largest impact and Social and Economic conditions having the smallest. Willingness holds a moderate level of influence. These effect sizes provide valuable insights into the relative importance of each predictor in the model. The SSW construct, in particular, stands out as a key driver of Job Satisfaction, suggesting that perceptions or experiences of a shortened work week are crucial in determining overall job satisfaction levels among the respondents in this model.

Hypothesized Relationship	Path Coefficient	Standard Deviation	T-Statistic	P-Value	Supported
SE -> JS	0.188	0.055	3.434	0.001	Yes
SSW -> JS	0.402	0.056	7.148	0.000	Yes
WL -> JS	0.271	0.054	5.058	0.000	Yes

**Table 7: Path coefficient, Standard Deviation, T-Statistic, P-Value**

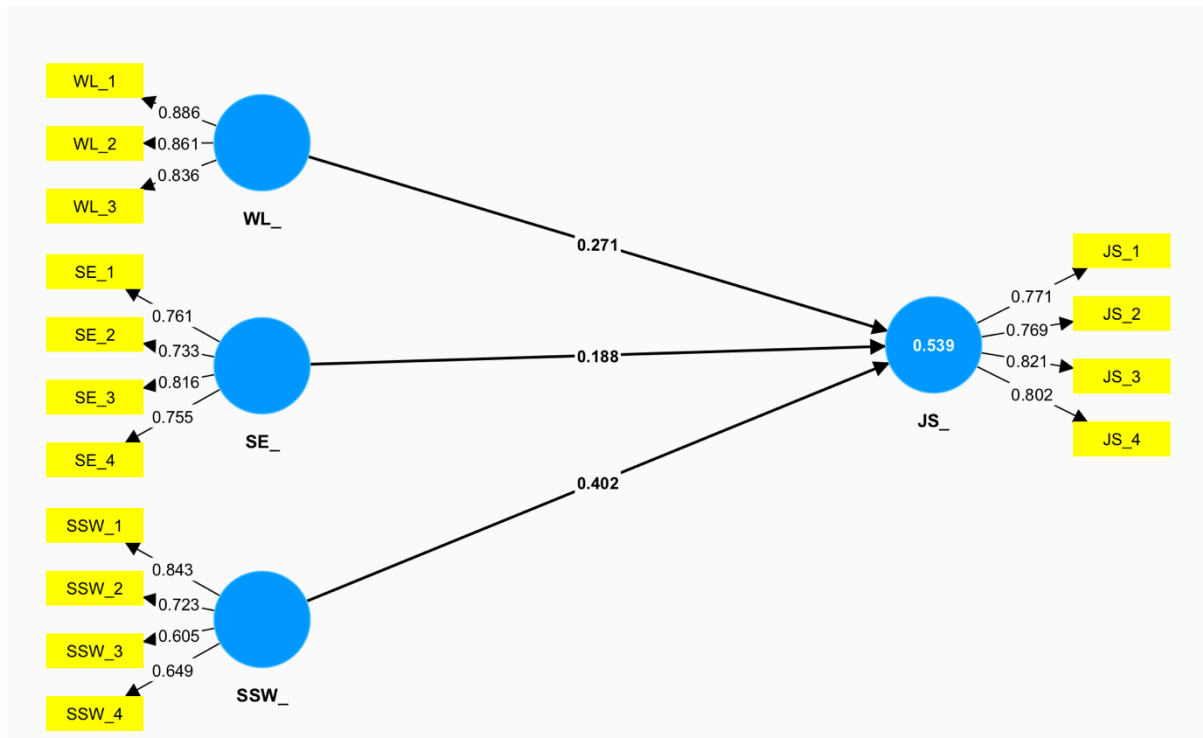
Hypothesis 1 (SE -> JS): The positive path coefficient (0.188) with a p-value of 0.001 indicates that the Social and Economic factors resulting from five day workweek significantly influence Job Satisfaction, thus supporting the hypothesis.

Hypothesis 2 (SSW -> JS): The strongest relationship in the model (0.402) and a p-value of 0.000 strongly support the hypothesis that Satisfaction with Shortened Work Week has a significant positive effect on Job Satisfaction.

Hypothesis 3 (WL -> JS): With a path coefficient of 0.271 and a p-value of 0.000, the hypothesis that Willingness to adopt five day work week significantly predicts Job Satisfaction is also supported.

In each case, the p-values are less than the conventional alpha level of 0.05, indicating that the relationships are statistically significant. The T-statistics, which are all well above the commonly used critical value of 1.96, provide further support for the significance of these relationships.

The results indicate that all three independent constructs (SE, SSW, and WL) have a significant positive effect on the dependent construct, Job Satisfaction (JS), with Satisfaction with Shortened Work Week (SSW) having the strongest effect. The t-statistics and p-values provide robust evidence for the significance of these paths, suggesting that improvements in social and economic conditions, satisfaction with the shortened work week, and willingness are associated with increased job satisfaction.

**Figure1: Structural equation model obtained from SmartPLS**

## 6. Interpretation

The study "A New Era of Work: Employee Perspectives on the Transition to a Five-Day Work Week in the Banking Sector" employed a robust PLS-SEM framework to evaluate the effects of various factors on job satisfaction within the banking sector. The questionnaire developed for this research was methodically aligned with the study's theoretical constructs—Job Satisfaction (JS), Willingness (WL), Satisfaction with Shortened Work Week (SSW), and Social and Economic (SE) aspects. The reflective measurement model validated that the questionnaire items were consistent and reliable indicators of the underlying constructs, demonstrated by high outer loadings and adequate Cronbach's alpha, composite reliability, and AVE values. The discriminant validity assessed via HTMT ratios confirmed that the constructs were distinct, despite a borderline value for JS and SSW, which warrants a thoughtful consideration. In the structural model, the path coefficients indicated that all three independent constructs (SE, SSW, WL) had a statistically significant positive influence on JS, with SSW exerting the most substantial effect. This suggests that employees perceive the transition to a five-day work week as a critical determinant of their job satisfaction. The model explained a considerable proportion of variance in job satisfaction (R-square = 0.539), highlighting the relevance of these factors.

## 7. Conclusion and Suggestions

The findings of this study elucidate the multifaceted impact of transitioning to a five-day work week on employees in the banking sector. Satisfaction with Shortened Work Week emerged as the most influential factor, implying that employees value the efficiency and productivity gains associated with a condensed work schedule. The significance of the Willingness and Social and Economic constructs suggests that employees' preferences and the broader socioeconomic benefits of a shortened work week are essential considerations for job satisfaction. Given the strong statistical backing and the model's predictive power, banking institutions are recommended to recognize the importance of a shortened work week in their strategic planning. Implementing such a schedule could result in heightened job satisfaction, potentially leading to enhanced employee retention and overall productivity.

This study contributes to the existing body of literature by providing empirical evidence on the positive ramifications of a five-day work week in a sector traditionally characterized by longer working



hours. While the study is thorough, future research might explore the long-term impacts of this transition and its effect on other dimensions of employee well-being and organizational performance. Additionally, considering demographic variables could offer insights into how different groups within the workforce perceive these changes.

In essence, the transition to a five-day work week in the banking sector holds promising prospects for boosting job satisfaction, with significant implications for human resource policies and organizational efficiency.

Apart from discussing the positive impact of five day workweek on employees, we have discussed on the social impact of the *five day work week* which may include less traffic congestion which further reduces carbon footprints and less power consumption which leads to several benefits such as reducing electricity consumption which includes lower energy bills, decreased environmental impact through reduced carbon emissions and operating & administrative expenses. Additionally, it can promote energy efficiency and environment conservation practices, leading to long-term sustainability.

### References

1. Chaitanya, R. V., & Raghuramapatrani, R. (2022). Attaining Equilibrium: Exploring WorkLife Balance in the Banking Sector. *Pacific Business Review (International)*, 12-23.
2. Gautam, V. (2023, 3). *India Times*. Retrieved from India Times: <https://www.indiatimes.com/worth/news/bank-employees-five-day-work-week-594687.html>
3. Richter, N. F., Cepeda-Carrión, G., Roldán Salgueiro, J. L., & Ringle, C. M. (2016). European management research using partial least squares structural equation modeling (PLS-SEM). *European Management Journal*, 34 (6), 589-597.
4. Sahu, P. (2023, 08 14). *Financial Express*. Retrieved from <https://www.financialexpress.com/business/banking-finance-nod-to-5-day-week-for-bank-staff-likely-by-december-3209471/>: <https://www.financialexpress.com/business/banking-finance-nod-to-5-day-week-for-bank-staff-likely-by-december-3209471/>
5. Sarstedt, M., Ringle, C. M., & Hair, J. F. (2017). Treating unobserved heterogeneity in PLS-SEM: A multi-method approach. *Partial least squares path modeling: Basic concepts, methodological issues and applications*, 197-217.
6. Vroom, V. H. (1985). *Work and Motivation*. In V. H. Vroom, *Work and Motivation*.
7. Carnegie Institute of Technology, Pittsburgh. PA.