

## Balancing Act: The Impact of Work-Life balance on employee engagement in Karnataka's Regional Rural Banks

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### ABSTRACT

*This study examines the impact of work-life balance (WLB) on employee engagement in Regional Rural Banks (RRBs) in Karnataka, India. In the financial sector, especially within rural banking institutions, employees often struggle to maintain a balance between demanding work responsibilities and personal life. Through a comprehensive analysis of employee surveys and performance data, this paper highlights how work-life imbalance leads to disengagement, stress, and decreased productivity. It explores the relationship between WLB and employee engagement, proposing that effective work-life balance initiatives are crucial for enhancing employee morale, job satisfaction, and overall organizational performance.*

**Keywords:** Work-Life Balance, Employee Engagement, Rural Banking, Regional Rural Banks, Organizational Performance

Received 10.03.2025

Revised 28.04.2025

Accepted 15.05.2025

### CITATION OF THIS ARTICLE

Gururaj Patil and Chanchala Jain. Balancing Act: The Impact of Work-Life balance on employee engagement in Karnataka's Regional Rural Banks. Inter. J. Edu. Res. Technol. 16[2] June 2025;47-52.

### INTRODUCTION

In the rapidly evolving financial sector, employee engagement is recognized as a key driver of organizational performance. For Regional Rural Banks (RRBs) in Karnataka, maintaining a high level of employee engagement is essential to meet their unique challenges and objectives, including financial inclusion and rural development. However, achieving optimal engagement is closely linked to employees' ability to balance their professional and personal lives (Saks, 2006).

#### Work-Life Balance in the Banking Sector

Work-life balance (WLB) refers to the equilibrium between an individual's work responsibilities and personal commitments. In the banking sector, particularly within RRBs, employees often face extended working hours, workload pressures, and the need to serve remote rural communities. These factors can strain their personal lives, leading to stress, burnout, and reduced job satisfaction (Schaufeli et al., 2002). Establishing a healthy WLB framework becomes crucial in mitigating these challenges and fostering a positive work environment.

#### Importance of Employee Engagement

Employee engagement reflects an individual's emotional commitment to their organization and its goals (Kahn, 1990; Harter et al., 2002). Engaged employees are more productive, motivated, and likely to contribute to organizational success (Maslach et al., 2001; Schaufeli et al., 2004a). In RRBs, engaged employees play a pivotal role in delivering quality service and building strong relationships with rural communities. However, engagement levels can be significantly influenced by the ability to maintain a balanced work-life structure.

#### Research Focus and Objectives

This study aims to explore the impact of work-life balance on employee engagement within Karnataka's regional rural banks. By examining the challenges faced by RRB employees and identifying key factors that influence WLB, the research seeks to offer practical recommendations for enhancing engagement (Shuck & Wollard, 2022). The findings will contribute to a better understanding of how balanced work environments can lead to more committed and satisfied employees, ultimately improving the performance of RRBs in Karnataka.

## REVIEW OF LITERATURE

Saks, A. M. (2006) emphasized the importance of both individual and organizational factors in shaping employee engagement. He argued that engagement is influenced by both the personal attributes of employees and the work environment, creating a multidimensional model. Schaufeli et al. (2002) extended the concept by highlighting that employee engagement goes beyond mere job satisfaction, focusing on deeper psychological dimensions. Their work underlined that engagement includes vigor, dedication, and absorption, contributing to a more holistic understanding of work motivation. Kahn, W. A. (1990) defined employee engagement as a state of emotional and cognitive involvement, where employees willingly go beyond their formal job descriptions. His study was pioneering in establishing the psychological foundation for employee engagement. Maslach et al. (2001) linked employee engagement to mental well-being and contrasted it with burnout, emphasizing engagement as a positive, fulfilling state of mind. They argued that engagement represents a sense of vigor and enthusiasm, while burnout is characterized by exhaustion and disengagement. Schaufeli & Bakker (2004) proposed a dual-process model that positions employee engagement as the opposite of burnout, with engagement marked by energy and involvement. Their model links high engagement to positive outcomes, such as better job performance and increased organizational commitment.

## MATERIAL AND METHODS

### Research Design

This research adopted a mixed-methods approach to examine employee engagement in Regional Rural Banks (RRBs) in Karnataka. The mixed-methods design allowed for a comprehensive analysis by integrating **qualitative** and **quantitative** techniques. This approach provided an opportunity to explore the complex dimensions of employee engagement through personal experiences and perceptions, while also enabling hypothesis testing through structured quantitative data.

### Data Collection

**Qualitative Data Collection:** To capture the qualitative aspects of employee engagement, semi-structured interviews and focus group discussions were conducted with RRB officers. The interviews were designed to explore participants' personal experiences, perceptions of their work environment, and factors influencing their engagement levels. Focus groups were used to gain collective insights into engagement dynamics and the ways in which organizational culture and policies shape engagement within the rural banking sector. The qualitative approach was essential for understanding the underlying drivers of engagement, work-life balance, and how demographic factors affect these dynamics.

**Quantitative Data Collection:** In parallel with qualitative data, a quantitative survey was developed to assess the key drivers of employee engagement in RRBs. The survey included standardized scales designed to measure engagement levels, work satisfaction, job roles, and work-life balance. Demographic information such as gender, age, education, income level, and years of service was collected to analyze their relationship with engagement outcomes. The survey was administered to a representative sample of officers across multiple RRB branches to ensure the data was statistically robust and generalizable.

### Data Analysis

**Qualitative Analysis:** The qualitative data were analyzed using thematic analysis. Data from interviews and focus groups were transcribed and coded to identify recurring themes and patterns related to employee engagement. Specific attention was given to the identification of drivers of engagement, such as organizational support, job autonomy, and work-life balance. The analysis aimed to uncover the complexities of engagement experiences within the context of rural banking, highlighting how demographic variables influenced perceptions and behaviors.

**Quantitative Analysis:** The quantitative data were subjected to statistical analysis to test the hypotheses derived from the qualitative insights. Descriptive statistics were used to summarize engagement levels across the sample, while inferential statistics, such as regression analysis and factor analysis, were employed to assess the relationships between engagement drivers and employee outcomes. The quantitative analysis also focused on identifying variations in engagement based on demographic variables, helping to establish patterns and correlations across different groups within the workforce.

### Ethical Considerations

Ethical approval for the study was obtained, and all participants were provided with informed consent forms, ensuring transparency and voluntary participation. The research adhered to strict confidentiality protocols to protect the privacy of the respondents. Participants were assured that their responses would be used solely for academic purposes and would remain anonymous.

## RESULTS AND DISCUSSION

**Hypothesis:** There is a causal relationship between the identified drivers of engagement and work-life balance among employees in Regional Rural Banks.

The Spearman's rank correlation coefficient, often referred to as Spearman's rho, is a non-parametric statistical test used to evaluate the strength and direction of association between two variables. In this test, a value of  $r = 1$  indicates a perfect positive correlation, while a value of  $r = -1$  signifies a perfect negative correlation. This method can be utilized to determine if there is a correlation between work-life balance and various other factors that drive engagement, as well as to quantify the strength of this relationship.

### Requirements:

The scale of measurement should be either ordinal, interval, or ratio. The data should consist of matched pairs. The relationship between the variables must be monotonic, meaning that as one variable increases, the other either consistently increases or consistently decreases.

### Equation:

$$r_s = 1 - \frac{6 \sum D^2}{N^3 - N}$$

The correlation coefficient ranges from +1 to -1. A positive correlation coefficient signifies a positive relationship between two variables (as A increases, B also increases), while a negative correlation coefficient signifies a negative relationship (as A increases, B decreases). A correlation coefficient of 0 indicates no relationship between the variables. Spearman's Rho test uses ranks rather than relying on assumptions about the distributions of the variables, enabling researchers to examine the association between variables measured at ordinal levels.

### Type of Bank: Regional Rural Banks in Karnataka (State Owned/Private Owned/ Multi State)

Table 1: Correlation in Factors – All Regional Rural Banks

			Work-Life Balance	Organizational Culture and Work Environment	Job Satisfaction	Pay and Benefits	Leadership	Sustainability and Career Progression
Spearman's rho	Work-Life Balance	Correlation Coefficient	1.000	.228**	.261**	.117**	.140**	-.048
		p-value		.000	.000	.004	.001	.245
	Organizational Culture and Work Environment	Correlation Coefficient	.228**	1.000	.308**	.318**	-.050	.069
		p-value	.000		.000	.000	.219	.092
	Job Satisfaction	Correlation Coefficient	.261**	.308**	1.000	.243**	.073	.170**
		p-value	.000	.000		.000	.073	.000
	Pay and Benefits	Correlation Coefficient	.117**	.318**	.243**	1.000	.173**	.146**
		p-value	.004	.000	.000		.000	.000
	Leadership	Correlation Coefficient	.140**	-.050	.073	.173**	1.000	.166**
		p-value	.001	.219	.073	.000		.000
	Sustainability and Career Progression	Correlation Coefficient	-.048	.069	.170**	.146**	.166**	1.000
		p-value	.245	.092	.000	.000	.000	

\*\* Correlation is significant at the 0.01 level (2-tailed).

The study findings reveal several key relationships among different variables. Work-life balance is positively and significantly associated with organizational culture and work environment, job satisfaction, and pay and benefits, as well as with leadership ( $p < .05$ ). However, its relationship with sustainability and career progression is not statistically significant.

Organizational culture and work environment are significantly related to job satisfaction and pay and benefits ( $p < .05$ ), but they do not show significant associations with leadership, sustainability, and career progression.

Job satisfaction shows a significant relationship with pay and benefits, sustainability, and career progression ( $p < .05$ ). However, its relationship with leadership is not statistically significant.

Pay and benefits are significantly associated with leadership, sustainability, and career progression ( $p < .05$ ).

Leadership demonstrates a significant relationship with sustainability and career progression ( $p < .05$ ).

#### Type of Bank: State Owned RRBs

Table 2: Correlation in Factors –State Owned RRBs

			Work-Life Balance	Organizational Culture and Work Environment	Job Satisfaction	Pay and Benefits	Leadership	Sustainability and Career Progression
Spearman's rho	Work-Life Balance	Correlation Coefficient	1.000	.134*	.320**	.121	.228**	-.108
		p-value		.039	.000	.062	.000	.096
	Organizational Culture and Work Environment	Correlation Coefficient	.134*	1.000	.339**	.307**	.054	.051
		p-value	.039		.000	.000	.407	.432
	Job Satisfaction	Correlation Coefficient	.320**	.339**	1.000	.283**	.188**	.107
		p-value	.000	.000		.000	.004	.099
	Pay and Benefits	Correlation Coefficient	.121	.307**	.283**	1.000	.172**	.023
		p-value	.062	.000	.000		.008	.725
	Leadership	Correlation Coefficient	.228**	.054	.188**	.172**	1.000	.175**
		p-value	.000	.407	.004	.008		.007
	Sustainability and Career Progression	Correlation Coefficient	-.108	.051	.107	.023	.175**	1.000
		p-value	.096	.432	.099	.725	.007	

\* Correlation is significant at the 0.05 level (2-tailed).

\*\* Correlation is significant at the 0.01 level (2-tailed).

a. Type of Regional Rural Bank = State Owned

Work-Life Balance shows a positive and statistically significant correlation with Organizational Culture and Work Environment, Job Satisfaction, and Leadership ( $p < .05$ ). However, its correlation with Pay and Benefits, as well as Sustainability and Career Progression, is statistically non-significant. Organizational Culture and Work Environment correlates significantly with Job Satisfaction and Pay and Benefits ( $p < .05$ ), but shows a non-significant correlation with Leadership and Sustainability and Career Progression. Job Satisfaction correlates significantly with Pay and Benefits and Leadership ( $p < .05$ ), but its correlation with Sustainability and Career Progression is not statistically significant. Pay and Benefits correlates significantly with Leadership ( $p < .05$ ), but its correlation with Sustainability and Career Progression is not statistically significant. Leadership correlates significantly with Sustainability and Career Progression ( $p < .05$ ).

**Type of Bank: Privately Owned RRBs**

**Table 3: Correlation in Factors – Privately Owned RRBs**

			Work-Life Balance	Organizational Culture and Work Environment	Job Satisfaction	Pay and Benefits	Leadership	Sustainability and Career Progression
Spearman's	Work-Life	Correlation	1.000	.257**	.303**	.117	.079	-.039
rho	Balance	Coefficient						
		p-value		.000	.000	.063	.208	.536
	Organizational	Correlation	.257**	1.000	.327**	.313**	-.086	.077
	Culture and	Coefficient						
	Work	p-value	.000		.000	.000	.171	.223
	Environment							
	Job	Correlation	.303**	.327**	1.000	.219**	-.063	.168**
	Satisfaction	Coefficient						
		p-value	.000	.000		.000	.320	.007
	Pay and	Correlation	.117	.313**	.219**	1.000	.157*	.233**
	Benefits	Coefficient						
		p-value	.063	.000	.000		.012	.000
	Leadership	Correlation	.079	-.086	-.063	.157*	1.000	.106
		Coefficient						
		p-value	.208	.171	.320	.012		.092
	Sustainability	Correlation	-.039	.077	.168**	.233**	.106	1.000
	and Career	Coefficient						
	Progression	p-value	.536	.223	.007	.000	.092	
*Correlation is significant at the 0.05 level (2-tailed).								
**Correlation is significant at the 0.01 level (2-tailed).								
a. Type of Regional Rural Bank = Privately Owned								

Work-Life Balance shows a significant positive relationship with Organizational Culture and Work Environment as well as Job Satisfaction ( $p < .05$ ). However, its relationship with Pay and Benefits, Leadership, and Sustainability and Career Progression is not statistically significant.

Organizational Culture and Work Environment significantly correlate with Job Satisfaction and Pay and Benefits ( $p < .05$ ), but not with Leadership or Sustainability and Career Progression.

Job Satisfaction is significantly associated with Pay and Benefits and Sustainability and Career Progression ( $p < .05$ ), but not with Leadership. Pay and Benefits exhibit a significant association with Leadership and Sustainability and Career Progression ( $p < .05$ ), albeit with a weaker correlation with Leadership. Leadership shows a significant association with Sustainability and Career Progression ( $p < .05$ ).

## CONCLUSION

The study concludes that work-life balance is a critical factor influencing employee engagement within Regional Rural Banks in Karnataka. It is evident that employees who experience a positive balance between their personal and professional lives exhibit higher levels of engagement, leading to improved job satisfaction and organizational performance. The paper suggests that institutions should implement policies to support WLB, such as flexible work hours, wellness programs, and sufficient leave policies, to enhance overall productivity and reduce employee turnover.

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