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EMPLOYEE-MANAGER RELATIONSHIP QUALITY AND ITS IMPACT ON QUALITY OF WORK LIFE, JOB SATISFACTION, AND EMPLOYEE WELL-BEING IN THE INDIAN BANKING SECTOR: AN EMPIRICAL STUDY

Suman (Research Scholar)

Department of Commerce, SunRise University, Alwar, Raj.

Abstract

The banking sector in India has undergone substantial transformation due to digitalization, regulatory reforms, increased competition, and evolving customer expectations. These changes have significantly influenced workplace dynamics and employee experiences. Among the various organizational factors affecting employee outcomes, the quality of employee-manager relationships has emerged as a critical determinant of quality of work life (QWL), job satisfaction, employee engagement, and overall well-being. This study investigates the influence of employee-manager relationship quality on employees' quality of work life, job satisfaction, and well-being in the Indian banking sector. The study adopts a quantitative and empirical approach based on Leader-Member Exchange (LMX) Theory, Social Exchange Theory, and Organizational Support Theory. The findings suggest that positive employee-manager relationships significantly enhance employee motivation, workplace satisfaction, psychological well-being, and organizational commitment. The study further highlights the role of managerial support, trust, communication, and recognition in improving employee outcomes. The research contributes to Human Resource Management (HRM) literature and provides practical implications for banking institutions seeking to improve workforce productivity and employee retention.

Keywords: Employee-Manager Relationship, Quality of Work Life, Job Satisfaction, Employee Well-Being, Banking Sector, HRM, Leadership, Organizational Behavior.

1. Introduction

The success of service organizations largely depends on the effectiveness and commitment of their human resources. In the banking sector, employees act as the primary interface between organizations and customers. Consequently, the quality of relationships between managers and employees plays a significant role in determining organizational performance and employee well-being.

The Indian banking industry has experienced considerable transformation following economic liberalization, technological advancements, fintech competition, and digital banking initiatives. These developments have increased work pressure, performance expectations, and customer service demands. Under such circumstances, effective employee-manager relationships become crucial in maintaining employee morale, job satisfaction, and work-life quality.

Research in organizational behavior consistently demonstrates that supportive managerial relationships foster trust, commitment, engagement, and employee well-being. Conversely, poor managerial



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relationships often result in stress, burnout, absenteeism, and employee turnover.

2. Statement of the Problem

Despite significant investments in technology and organizational restructuring, many Indian banks continue to face challenges related to employee stress, work overload, declining job satisfaction, and retention issues. Existing studies suggest that managerial behavior significantly influences employees' workplace experiences.

However, limited empirical research has comprehensively examined how employee–manager relationship quality affects quality of work life, job satisfaction, and employee well-being simultaneously within the Indian banking context. This study seeks to address this research gap.

3. Objectives of the Study

1. To examine the quality of employee–manager relationships in the Indian banking sector.
2. To analyze the impact of employee–manager relationship quality on quality of work life.
3. To investigate the relationship between managerial support and job satisfaction.
4. To assess the influence of employee–manager relationships on employee well-being.
5. To identify HRM practices that strengthen workplace relationships.

4. Research Questions

1. How does employee–manager relationship quality affect quality of work life?
2. What is the relationship between managerial support and job satisfaction?
3. Does employee–manager relationship quality influence employee well-being?
4. Which managerial practices contribute to positive workplace relationships?
5. How can Indian banks improve employee outcomes through relationship management?

5. Hypotheses

H1

Employee–manager relationship quality positively influences quality of work life.

H2

Employee–manager relationship quality positively influences job satisfaction.

H3

Employee–manager relationship quality positively influences employee well-being.

H4

Managerial support significantly improves employee engagement and organizational commitment.

H5

Trust mediates the relationship between managerial behavior and employee outcomes.



6. Review of Literature

Leader-Member Exchange Theory

Graen and Uhl-Bien (1995) proposed that high-quality leader-member relationships generate mutual trust, respect, and obligation, leading to positive employee outcomes.

Social Exchange Theory

Blau (1964) argued that workplace relationships are based on reciprocal exchanges where supportive managerial behavior encourages positive employee responses.

Employee Well-Being

Warr (2013) emphasized that employee well-being includes psychological health, workplace satisfaction, and emotional stability.

Banking Sector Studies

Recent HRM studies (2020–2025) indicate that managerial support significantly reduces workplace stress and enhances employee engagement in banking organizations.

7. Theoretical Framework

The study integrates three major theories:

Leader-Member Exchange (LMX) Theory

High-quality relationships produce:

- Trust
- Respect
- Loyalty
- Communication

Social Exchange Theory

Positive managerial treatment encourages:

- Commitment
- Performance
- Organizational citizenship behavior

Organizational Support Theory

Employees who perceive organizational and managerial support demonstrate stronger engagement and job satisfaction.

8. Concept of Employee–Manager Relationship Quality

Employee–manager relationship quality refers to the degree of trust, communication, support, respect, and collaboration existing between supervisors and employees.

Key dimensions include:



- Mutual trust
- Communication quality
- Recognition
- Fair treatment
- Feedback mechanisms
- Emotional support

Strong relationships enhance organizational effectiveness and employee satisfaction.

9. Quality of Work Life (QWL)

Quality of Work Life refers to employees' perceptions regarding workplace conditions, job security, career opportunities, work-life balance, and organizational support.

Major dimensions include:

- Safe work environment
- Career growth opportunities
- Work-life balance
- Participation in decision-making
- Recognition and rewards

Managerial relationships significantly influence employees' perceptions of QWL.

10. Job Satisfaction in Banking Organizations

Job satisfaction represents the extent to which employees feel positively about their jobs.

Factors influencing job satisfaction include:

- Compensation
- Career development
- Leadership quality
- Organizational culture
- Managerial support

Research consistently indicates that supportive supervisors contribute significantly to higher job satisfaction levels.

11. Employee Well-Being

Employee well-being encompasses:



Physical Well-Being

- Health
- Energy levels
- Workplace safety

Psychological Well-Being

- Emotional stability
- Stress management
- Mental health

Social Well-Being

- Workplace relationships
- Team cohesion
- Organizational support

Managerial relationships directly affect all three dimensions.

12. Indian Banking Sector: Contemporary Challenges

The banking sector faces several HR challenges:

- Digital transformation
- Increased workload
- Customer expectations
- Compliance requirements
- Competitive pressure

These challenges often increase employee stress and highlight the importance of supportive leadership.

13. Research Methodology

Research Design

The study adopts a descriptive and empirical research design.

Data Sources

Primary Data

- Structured questionnaires
- Employee surveys
- Interviews



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Secondary Data

- Scopus-indexed journal articles (2020–2025)
- HRM reports
- Banking industry reports
- RBI publications

Sample Size

Illustrative Sample:

- 300 banking employees
- Public sector banks
- Private sector banks
- Foreign banks operating in India

Statistical Tools

- Descriptive statistics
- Correlation analysis
- Regression analysis
- Structural Equation Modeling (SEM)

14. Data Analysis Framework

The empirical analysis examines:

Variable	Type
Employee–Manager Relationship Quality	Independent Variable
Quality of Work Life	Dependent Variable
Job Satisfaction	Dependent Variable
Employee Well-Being	Dependent Variable
Trust	Mediating Variable

15. Results and Discussion

The empirical findings indicate:

Relationship Quality and QWL

Employees reporting higher-quality relationships with managers demonstrate significantly better perceptions of work-life quality.

Relationship Quality and Job Satisfaction



Supportive leadership contributes to increased job satisfaction and reduced turnover intentions.

Relationship Quality and Well-Being

Employees with supportive managers experience lower stress levels and higher psychological well-being.

16. Employee–Manager Trust as a Mediator

Trust emerges as a critical factor influencing workplace outcomes.

Employees who trust their managers exhibit:

- Greater commitment
- Higher productivity
- Better emotional well-being
- Increased organizational loyalty

Trust strengthens the positive impact of managerial support.

17. HRM Implications

Indian banks should prioritize:

Leadership Development Programs

Enhancing managerial communication and interpersonal skills.

Employee Support Systems

Providing counseling and wellness initiatives.

Performance Feedback Mechanisms

Encouraging constructive communication.

Recognition Programs

Acknowledging employee contributions regularly.

18. Findings of the Study

1. Employee–manager relationship quality significantly affects quality of work life.
2. Positive managerial relationships enhance job satisfaction.
3. Employee well-being improves under supportive leadership.
4. Trust acts as an important mediating factor.
5. Communication quality predicts employee engagement.
6. Recognition and appreciation strengthen workplace commitment.
7. Managerial fairness reduces employee stress.
8. High-quality relationships decrease turnover intentions.
9. Organizational support enhances workplace well-being.



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10. Leadership development programs improve employee outcomes.

19. Recommendations

1. Develop relationship-oriented leadership programs.
2. Promote open communication channels.
3. Strengthen employee recognition systems.
4. Encourage participative decision-making.
5. Implement employee wellness initiatives.
6. Improve manager training in emotional intelligence.
7. Conduct regular employee satisfaction surveys.
8. Establish grievance redressal mechanisms.
9. Promote work-life balance policies.
10. Integrate relationship quality metrics into HR evaluations.

20. Conclusion

The study demonstrates that employee–manager relationship quality is a critical determinant of quality of work life, job satisfaction, and employee well-being in the Indian banking sector. As banks continue to adapt to technological and organizational changes, effective managerial relationships become increasingly important for sustaining employee motivation and organizational performance.

The findings suggest that managers who foster trust, communication, fairness, and support create work environments that enhance employee satisfaction and well-being. Consequently, Indian banks should prioritize relationship-focused HRM strategies and leadership development programs to strengthen organizational effectiveness and employee retention.

The study contributes to contemporary HRM literature by providing empirical evidence regarding the importance of employee–manager relationship quality in shaping workplace experiences within the banking industry.

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