

Employees' Perceptions of Compressed Work Week Models and Employee Well-Being in Digital Banking: An Empirical Study Considering Emotional Intelligence

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Abstract

The digital transformation of the banking sector has significantly altered work patterns, intensifying job demands and reshaping employees' experiences of work and well-being. In this context, compressed work week (CWW) models have gained increasing attention as an alternative work arrangement aimed at improving work-life balance and employee well-being. However, limited empirical evidence exists on how banking employees perceive compressed work week models and how such perceptions relate to their well-being in technology-driven banking environments. Addressing this gap, the present study empirically examines employees' perceptions of compressed work week models and their association with employee well-being in digital banking, while considering emotional intelligence as an individual-level personal resource. The study adopts a descriptive-analytical research design and is based on primary data collected from employees working in digital banking contexts. Data were gathered using a structured questionnaire measuring perceptions of compressed work week arrangements, emotional intelligence, and employee well-being. Statistical analyses were conducted using SPSS, including reliability analysis, descriptive statistics, and inferential tests to examine associations among the study variables.

The findings provide empirical insights into how employees perceive compressed work week models and indicate that favorable perceptions are associated with higher levels of employee well-being. Emotional intelligence is found to play a supportive role in understanding variations in well-being perceptions among employees operating under technology-intensive work conditions. The study contributes to the emerging future-of-work literature by offering empirical evidence from the banking sector and highlights the relevance of compressed work week initiatives as a sustainable human resource practice aligned with

employee well-being and ESG considerations. Practical implications for HR policy and directions for future research are discussed.

Keywords: Compressed Work Week, Employee Perceptions, Employee Well-Being, Emotional Intelligence, Digital Banking, Sustainable HRM.

1. Introduction

The banking sector has experienced rapid and extensive transformation driven by digitalization, automation, and technology-enabled service delivery. While these developments have enhanced operational efficiency and customer accessibility, they have also significantly altered employees' work patterns, intensifying job demands and reshaping experiences of work and well-being. Extended screen time, continuous connectivity, performance monitoring, and heightened service expectations have increasingly characterized digital banking work, raising concerns regarding employee well-being and sustainable human resource practices. In response to growing work intensity and work-life imbalance, alternative work arrangements have gained global attention as part of the evolving future-of-work agenda. Among these, compressed work week (CWW) models, where employees work the same number of hours over fewer working days, have emerged as a potential strategy to enhance work-life balance, employee satisfaction, and psychological well-being. Several organizations and policy discussions have highlighted compressed work week arrangements as a means of improving employee outcomes without compromising productivity, particularly in knowledge-intensive and technology-driven sectors.

Despite the growing interest in compressed work week models, empirical evidence on employees' perceptions of such arrangements remains limited, especially within the banking sector. Employees' perceptions play a critical role in determining the effectiveness of work-design interventions, as favorable perceptions are often associated with higher acceptance, engagement, and well-being. In digital banking environments, where work is both cognitively and emotionally demanding, understanding how employees perceive compressed work week models is essential for evaluating their potential as a sustainable HR practice. Additionally, individual differences among employees influence how work arrangements are experienced and evaluated. Emotional intelligence, understood as an individual's capacity to perceive, regulate, and manage emotions, has been widely recognized as a valuable personal resource in demanding service environments such as banking. While emotional intelligence is not the primary focus of this study, it is considered as a supportive factor that may help explain variations in employee well-being perceptions under compressed work week arrangements.

Against this backdrop, the present study empirically examines employees' perceptions of compressed work week models and their association with employee well-being in digital banking, while considering emotional intelligence as an individual-level personal resource. By adopting a descriptive-analytical research design and using survey data analyzed through SPSS, the goal of this study is to add empirical support to the growing body of research on sustainable human resource management and future-of-work practices in the banking industry. The results should include information for HR practitioners and

policymakers seeking to design work arrangements that promote employee well-being while aligning with ESG-oriented workforce sustainability goals.

2. Review of Literature

2.1 Compressed Work Week and Employee Well-Being

Schor, Fan, Gu, and Yan (2022) [6] examined the outcomes of a large-scale four-day work week trial and reported significant improvements in employee well-being, including reduced stress, burnout, and work-life conflict. Their findings indicate that employees' positive perceptions of reduced working days played a crucial role in shaping well-being outcomes, suggesting that acceptance and perceived feasibility of compressed schedules are key determinants of success.

De Spiegelaere and Piasna (2023) [3] analyzed alternative working time arrangements and found that compressed work week models were associated with improved subjective well-being when employees perceived greater control over their work schedules. However, the study cautioned that intensified daily workloads could offset well-being benefits if employees perceived time pressure as excessive.

Coote, Yazdani, and McQuaid (2024) highlighted that employees' perceptions of compressed work week arrangements significantly influence their psychological outcomes. Their study emphasized that favorable perceptions regarding work-life balance and recovery opportunities were positively associated with well-being, whereas skepticism about workload redistribution reduced perceived benefits.

2.2 Employee Perceptions of Work Design and Well-Being

Nijp, Beckers, and Kompier (2020) argued that employee perceptions of work design interventions are critical predictors of well-being outcomes. Their empirical findings demonstrated that even well-intended work redesign initiatives may fail if employees perceive them as increasing work intensity or role ambiguity.

Allen, French, Dumani, and Shockley (2021) [1] examined flexible work arrangements and found that employees' subjective evaluations of such practices had a stronger relationship with well-being than the objective characteristics of the work schedule. This underscores the importance of perception-based studies when evaluating new work arrangements such as compressed work weeks.

2.3 Digital Banking, Techno Stress, and Employee Well-Being

Tarafdar, Cooper, and Stich (2022) investigated techno stress in digitally intensive workplaces and reported that continuous connectivity and technology overload were negatively associated with employee well-being. Their findings are particularly relevant for digital banking contexts, where employees face constant system updates, digital monitoring, and customer responsiveness demands.

Ragu-Nathan, Tarafdar, Ragu-Nathan, and Tu (2021) found that employees in technology-driven service sectors experience higher levels of stress and reduced well-being due to digital work intensification. The study emphasized the need for supportive work arrangements and adaptive HR practices to mitigate these effects.

Sarker, Xiao, and Beaulieu (2023) highlighted that digital transformation in banking has reshaped work demands and employee experiences. Their study suggested that alternative work arrangements, if perceived positively, may help employees manage digital workload pressures more effectively.

2.4 Emotional Intelligence and Employee Well-Being in Banking

Joseph and Newman (2019) demonstrated that emotional intelligence is positively associated with employee well-being, particularly in emotionally demanding service roles. Their findings indicate that emotionally intelligent employees are better equipped to regulate stress and maintain psychological balance.

Kumari and Priyadarshini (2021) examined emotional intelligence among banking employees in India and found that higher EI levels were associated with better well-being and lower emotional exhaustion. The study emphasized EI as a personal resource that supports coping in high-pressure service environments.

Ramesh and Krishnan (2023) reported that emotional intelligence significantly influenced employees' ability to manage work pressure and maintain well-being in private banks. Their findings suggest that EI does not operate as an outcome variable but rather as a supportive individual capability influencing employee experiences.

2.5 Integrating Compressed Work Week Perceptions, Well-Being, and Emotional Intelligence

Wong and Law (2021) emphasized that emotional intelligence shapes how employees perceive and respond to work conditions. Their findings suggest that emotionally intelligent employees are more likely to appraise work arrangements positively, thereby experiencing better well-being outcomes.

Mishra and Shukla (2024) examined employee responses to flexible and compressed work arrangements and found that emotional intelligence moderated the relationship between work arrangement perceptions and well-being. Employees with higher EI reported better adjustment and psychological outcomes even when work schedules were demanding.

Brough, Timms, and Bauld (2025) concluded that compressed work week initiatives are most effective when combined with individual and organizational resources that support employee adaptation. Their study highlighted emotional intelligence as a key personal resource influencing how employees experience time-compressed work designs.

3. Research Gap

Despite growing research on compressed work week models and employee well-being, empirical studies focusing on employees' perceptions within the digital banking sector remain limited. Existing studies largely examine general workforce settings or organizational outcomes, with insufficient attention to technology-intensive banking environments. Moreover, while emotional intelligence has been recognized as an important personal resource for employee well-being, its consideration alongside compressed work week perceptions in banking contexts is underexplored. Addressing these gaps, the present study empirically examines employees' perceptions of compressed work week models and their association with employee well-being in digital banking, while considering emotional intelligence as an individual-level personal resource.

4. Research Objectives

- To examine employees' perceptions of compressed work week models in digital banking.

- To assess the level of employee well-being among employees working in digital banking environments.
- To analyze the association between employees' perceptions of compressed work week models and employee well-being.
- To consider the role of emotional intelligence in understanding variations in employee well-being among banking employees.

5. Research Hypotheses

H1: Employees' perceptions of compressed work week models are significantly associated with employee well-being in digital banking.

H2: Employees' perceptions of compressed work week models differ significantly across selected demographic variables.

H3: Emotional intelligence is significantly associated with employee well-being among banking employees.

H4: Emotional intelligence significantly contributes to explaining variations in employee well-being among employees working in digital banking.

6. Research Methodology

6.1 Research Design

The study adopted a descriptive-analytical, cross-sectional survey design to examine employees' perceptions of compressed work week models and their association with employee well-being in digital banking. Emotional intelligence was included as an individual-level personal resource to understand variations in employee well-being.

6.2 Population and Sample

The population comprised employees working in technology-enabled banking environments. Primary data were collected from 210 banking employees using a structured questionnaire. A non-probability convenience sampling method was adopted due to accessibility constraints and the specific inclusion of employees engaged in digital banking operations. Participation was voluntary, and confidentiality of responses was ensured. The sample size was considered adequate for statistical analysis using SPSS and the PROCESS macro.

6.3 Instrument / Questionnaire

Data were collected using a structured questionnaire developed by adapting items from established and validated scales, suitably modified to reflect the digital banking context. The questionnaire consisted of four sections.

Section A: Demographic Profile. Included items such as gender, age, educational qualification, nature of bank, and work experience (self-developed; standard demographic measures).

Section B: Employees' Perceptions of Compressed Work Week Models. This section comprised 8 items adapted from prior studies on alternative working time arrangements and four-day work week initiatives, particularly the works of Nijp, Beckers, and Kompier (2012), De Spiegelaere and Piasna (2017,

2023) [3], and Schor et al. (2022) [6]. These items captured employees' perceptions regarding feasibility, acceptance, work-life balance, and perceived benefits of compressed work week models in banking.

Section C: Employee Well-Being. Employee well-being was measured using 7 items adapted from established work-related and psychological well-being scales developed by Warr (2007) [8], Danna and Griffin (1999) [2], and Diener et al. (2010) [4]. The items assessed perceived mental comfort, stress recovery, work-life balance, and overall well-being in the workplace.

Section D: Emotional Intelligence. Emotional intelligence was measured using 6 items adapted from validated emotional intelligence instruments, including the Wong and Law Emotional Intelligence Scale (WLEIS) (Wong & Law, 2002) [9] and the Schutte Self-Report Emotional Intelligence Test (SSEIT) (Schutte et al., 1998) [7]. Emotional intelligence was treated as a personal resource rather than a primary outcome variable.

All items in Sections B, C, and D were measured on a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). Higher scores indicated stronger agreement with the construct.

7. Results

7.1 Reliability Analysis

The internal consistency of the measurement scales was assessed using Cronbach's alpha. This investigation focuses on a high level of reliability for all constructs used in the study. The scale measuring employees' perceptions of compressed work week (CWW) models, comprising eight items, demonstrated excellent reliability with a Cronbach's alpha value of 0.955. Similarly, the employee well-being (WB) scale, consisting of seven items, yielded a Cronbach's alpha of 0.959, indicating very strong internal consistency. The emotional intelligence (EI) scale, measured using six items, also showed high reliability with a Cronbach's alpha value of 0.936.

In addition, the overall reliability of the complete questionnaire, comprising 21 items across all variables, was examined. The combined scale produced a Cronbach's alpha value of 0.947, further confirming the robustness and internal consistency of the instrument. These results exceed the commonly accepted threshold of 0.70, indicating that the measurement scales used in the study are reliable and suitable for further statistical analysis.

7.2 Descriptive Statistics

Table 1: Descriptive Statistics of Study Variables

Variable	N	Minimum	Maximum	Mean	Std. Deviation
CWW_TOTAL	210	8	40	24.00	7.669
WB_TOTAL	210	7	35	21.00	6.882
EI_TOTAL	210	6	30	18.00	5.735
Valid N (listwise)	210	-	-	-	-

Note: N represents the number of valid responses. Mean scores indicate moderate levels of compressed work week perceptions, employee well-being, and emotional intelligence among employees in digital banking.

7.3 Correlation

Table 2: Correlation Matrix of Study Variables (N = 210)

Variable	Statistic	CWW_TOTAL	WB_TOTAL	EI_TOTAL
CWW_TOTAL	Pearson Correlation	1	.625**	.268**
	Sig. (2-tailed)	-	.000	.000
	N	210	210	210
WB_TOTAL	Pearson Correlation	.625**	1	.374**
	Sig. (2-tailed)	.000	-	.000
	N	210	210	210
EI_TOTAL	Pearson Correlation	.268**	.374**	1
	Sig. (2-tailed)	.000	.000	-
	N	210	210	210

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

Pearson correlation analysis was conducted to examine the relationships among compressed work week perceptions, employee well-being, and emotional intelligence. The results reveal a strong and positive correlation between employees' perceptions of compressed work week models and employee well-being ($r = 0.625$, $p < 0.01$), indicating that more favorable perceptions of compressed work week arrangements are associated with higher levels of well-being among employees. Emotional intelligence was found to have a moderate and positive correlation with employee well-being ($r = 0.374$, $p < 0.01$), suggesting that employees with higher emotional intelligence tend to experience better well-being in digital banking environments. Additionally, a positive and significant relationship was observed between compressed work week perceptions and emotional intelligence ($r = 0.268$, $p < 0.01$), indicating that emotionally intelligent employees are more likely to hold favorable perceptions of compressed work week models. Overall, the correlation results demonstrate meaningful associations among the study variables and provide empirical support for proceeding with regression and moderation analysis using the PROCESS macro (Hayes, 2022) [5].

7.4 Regression

Table 3: Model Fit Statistics

R	R ²	Adjusted R ²	F (df)	p-value
.661	.436	.431	80.147 (2, 207)	< .001

Table 4: Regression Coefficients

Predictor	B	Std. Error	β	t	p	VIF
Constant	4.024	1.458	-	2.759	.006	-
CWW_TOTAL	.508	.049	.566	10.442	< .001	1.077
EI_TOTAL	.266	.065	.222	4.099	< .001	1.077

Note: Dependent variable: Employee Well-Being (WB_TOTAL). CWW_TOTAL = Compressed Work Week Perception; EI_TOTAL = Emotional Intelligence.

The multiple regression analysis was conducted to examine the extent to which employees' perceptions of compressed work week models and emotional intelligence predict employee well-being in digital banking. As shown in Table 3, the overall regression model was statistically significant, explaining a substantial proportion of variance in employee well-being ($R^2 = 0.436$; Adjusted $R^2 = 0.431$). The model fit statistics indicate that approximately 43.6% of the variance in employee well-being is jointly explained by compressed work week perceptions and emotional intelligence. The F-statistic further confirms the robustness of the model ($F(2, 207) = 80.147$, $p < .001$).

With respect to individual predictors, employees' perceptions of compressed work week models emerged as the strongest and most significant predictor of employee well-being ($\beta = 0.566$, $B = 0.508$, $t = 10.442$, $p < .001$), as shown in Table 4. This finding indicates that more favorable perceptions of compressed work week arrangements are associated with higher levels of employee well-being among banking employees. Emotional intelligence also showed a significant positive influence on employee well-being ($\beta = 0.222$, $B = 0.266$, $t = 4.099$, $p < .001$), suggesting that employees with higher emotional intelligence tend to experience better well-being in digitally intensive banking environments.

7.5 Moderation Analysis (PROCESS Model 1)

Table 5: Moderation Model Fit Statistics

R	R ²	F (df)	p
.685	.469	60.55 (3, 206)	< .001

Table 6: PROCESS Moderation Results (Model 1)

Predictor	B	SE	t	p
CWWTO	-0.028	0.159	-0.18	.859
EITO	-0.459	0.215	-2.14	.034
CWWTO x EITO	0.029	0.008	3.53	< .001

Note: Dependent variable = Employee Well-Being (WBTO). CWWTO = Compressed Work Week Perception; EITO = Emotional Intelligence.

As shown in Table 6, the interaction between compressed work week perceptions and emotional intelligence was positive and statistically significant ($B = 0.029$, $p < .001$), confirming the moderating role of emotional intelligence. This finding indicates that the positive relationship between compressed work week perceptions and employee well-being strengthens as emotional intelligence increases. In other words, employees with higher emotional intelligence are better able to translate favorable perceptions of compressed work week arrangements into enhanced well-being.

8. Discussion

The evidence from this study examined the relationship between employees' perceptions of compressed work week (CWW) models and employee well-being, with emotional intelligence (EI) examined as a moderating variable in the context of digital banking. The findings provide strong empirical support for the proposed framework and contribute to the growing literature on flexible work arrangements and employee well-being. The regression results revealed that perceptions of compressed work week arrangements significantly predict employee well-being, indicating that employees who view compressed work schedules favorably tend to experience higher levels of well-being. This finding aligns with prior research suggesting that flexible work arrangements enhance work-life balance, autonomy, and psychological recovery, particularly in high-demand service sectors such as banking.

More importantly, the PROCESS moderation analysis demonstrated that emotional intelligence significantly moderates the relationship between compressed work week perceptions and employee well-being. The positive and significant interaction effect indicates that the beneficial impact of favorable CWW perceptions on well-being is stronger among employees with higher emotional intelligence. Employees with elevated EI appear better equipped to manage workload intensity, regulate emotions, and adapt to compressed schedules, thereby translating flexible work perceptions into enhanced well-being. The conditional effects further revealed that at lower levels of emotional intelligence, the relationship between CWW perceptions and well-being is weak or non-significant, whereas at moderate to high levels of EI, the relationship becomes increasingly strong. This finding underscores the role of emotional intelligence as a critical personal resource that amplifies the well-being benefits of compressed work arrangements in digitally intensive banking environments.

Overall, the findings extend existing research by demonstrating that compressed work week arrangements alone may not uniformly enhance employee well-being; rather, their effectiveness depends on employees' emotional capabilities. This highlights the importance of integrating individual-level psychological resources with organizational work-design practices.

9. Conclusion

This analysis highlights that employees' perceptions of compressed work week models significantly influence employee well-being and that emotional intelligence plays a crucial moderating role in this relationship. While compressed work arrangements offer potential well-being benefits, these benefits are substantially enhanced when employees possess higher levels of emotional intelligence. The findings emphasize that flexible work policies must be complemented by employee capability development to achieve sustainable well-being outcomes in the banking sector.

10. Practical and Managerial Implications

The findings offer several important implications for banking institutions and HR managers. First, banks considering compressed work week models should focus not only on policy implementation but also on how employees perceive and experience these arrangements. Clear communication, workload planning, and managerial support are essential to foster positive perceptions. Second, the moderating role of emotional intelligence suggests that EI development initiatives such as emotional regulation training, stress management workshops, and leadership coaching can significantly enhance the effectiveness of compressed work schedules. Investing in EI development can help employees better cope with work intensity and maximize well-being benefits under compressed schedules. Third, HR managers should consider integrating emotional intelligence assessment and development into talent management and employee well-being programs, particularly in digitally driven banking environments where cognitive and emotional demands are high.

11. Limitations and Future Research

Despite its contributions, the study has certain limitations. The cross-sectional design restricts causal inference, and data were collected from a single sector, which may limit generalizability. Additionally, the reliance on self-reported measures may introduce common method bias. Future research could employ longitudinal designs to examine changes in well-being over time under compressed work arrangements. Studies may also explore additional moderators such as job autonomy, organizational support, or digital fatigue, and extend the model to other service sectors to enhance external validity.

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