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The Impact of Decent Work Practices, Employee Resilience and Psychological Contract Fulfillment on Work-life Balance in China's Banking Industry

Sitong Wu, Nor Fairuz Syazana Binti Nor Fauzi*

City University Malaysia, Kuala Lumpur 46100, Malaysia
**Author to whom correspondence should be addressed.*

Abstract: ***As competition in China's financial industry intensifies and employees' work pressure increases, employees' work-life balance issues have received more and more attention. Studies in China and other countries have shown that factors such as psychological contract fulfillment, employee resilience, and decent work practices are closely related to employees' work-life balance. Based on a literature review, this paper uses resource conservation theory and psychological contract theory to systematically analyze the relationship between the above independent variables and work-life balance, and proposes the hypothesis that psychological contract fulfillment, decent work practices, and employee resilience all have a positive impact on work-life balance. By simulating the survey data of Chinese banking employees and conducting regression analysis to verify, the results show that psychological contract fulfillment (β=0.235, p<0.001), decent work practices (β=0.382, p<0.001), and employee resilience (β=0.294, p<0.001) all have a significant positive impact on work-life balance, and the explanation rate of the regression model is 51.4%. These results are consistent with the conclusions of the literature, that is, meeting employees' psychological expectations, improving their resilience levels, and providing fair and safe working conditions are all conducive to improving the work-life balance of banking employees. Finally, the paper discusses the implications and limitations of the research and proposes suggestions for improvement.***

Keywords: Work-life balance; Banking industry; Psychological contract; Employee resilience; Decent work practices.

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1. Introduction

The modern financial industry is highly competitive and has high work intensity. Banking employees often face pressures such as overtime work, high sense of responsibility and work role conflict, which have an adverse impact on employees' physical and mental health and life satisfaction. The concept of work-life balance emphasizes the individual's ability to coordinate the requirements of the professional and personal life areas. Research shows that when employees find it difficult to meet the needs of work and family/personal life at the same time, it will lead to problems such as decreased happiness, work burnout, and decreased performance. Especially in the Chinese banking industry, the cultural background and institutional environment make employees have high expectations for stable treatment and social support. Therefore, how to improve employees' work-life balance has become a focus of academic and management circles.

The resource conservation theory believes that individuals tend to obtain, protect and build valuable resources (such as time, energy, social support, etc.) to cope with stress. When resources in the work and life areas are unevenly distributed, employees will experience stress and dissatisfaction, which in turn affects work-life balance. Therefore, under the COR framework, improving employees' resource reserves (such as enhancing resilience, ensuring income and working conditions) can improve work-life balance. At the same time, the psychological contract theory emphasizes the degree of fulfillment of implicit expectations and commitments between employees and organizations. When an organization meets the expectations of employees' psychological contracts, it can

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improve employee satisfaction and loyalty, which in turn helps improve employees' overall well-being and life satisfaction. These theories provide a basic perspective for analyzing the factors affecting work-life balance.

Existing studies have found that factors such as the degree of psychological contract fulfillment, employee resilience level, and decent work practices have a significant impact on employee happiness and work-life balance. Wu et al. (2021) pointed out that among Chinese banking employees, the degree of psychological contract fulfillment, employee resilience level, and decent work practices have a direct positive impact on work-life balance. However, there is still a lack of systematic research on the relationship between these variables and work-life balance in China and other countries, especially the empirical support for the mechanism of action of various factors in the context of China's banking industry still needs to be strengthened. Therefore, based on literature review and theoretical analysis, this paper proposes and verifies the following hypotheses from the perspective of resource conservation and psychological contract theory:

Hypothesis 1: Decent work practices have a significant impact on the work-life balance of Chinese banking employees.

Hypothesis 2: Employee resilience has a significant impact on the work-life balance of Chinese banking employees.

Hypothesis 3: Psychological contract fulfillment has a significant impact on the work-life balance of Chinese banking employees.

2. Theoretical Foundations and Research Status of Work-Life Balance

2.1 Conservation of Resources Theory

The Conservation of Resources Theory (COR), proposed by Hobfoll, centres on the idea that individuals strive to acquire, conserve and accumulate various resources (e.g., time, psychological energy, social support, etc.) in order to cope with stress and achieve their goals, and try to avoid the loss of resources. In work-life balance research, COR theory emphasises that when employees have sufficient resources, they are better able to cope with conflicts between work and family and personal life, and thus maintain balance. Conversely, a lack of resources (e.g., excessive working hours, unfair remuneration, lack of flexible working mechanisms, etc.) tends to trigger work-life conflicts. All of the above independent variables can be considered as important components of an employee's resource environment: decent work practices provide fair remuneration, safe working conditions and social security; employee resilience is the individual's ability to cope with stress, recover and deal positively with setbacks, representing a reserve of personal resources; and psychological contract compliance reflects the extent to which the organization meets the implicit expectations of its employees, providing psychological security and reciprocal resources for employees. According to the theory of conservation of resources, when these resources are abundant, employees are more capable of balancing the work-life domain and promoting psychological and physical health.

2.2 Psychological Contract Theory

Psychological contract refers to the unspoken implicit expectations and promises (e.g., promotion opportunities, job security, job support, etc.) between an employee and an organization. Psychological contract theory suggests that if employees' expectations of the organization are met (i.e., psychological contract compliance), trust and satisfaction will result; conversely, breaching the psychological contract will lead to disappointment and dissatisfaction. It has been shown that psychological contract compliance is significantly and positively related to employee loyalty, job satisfaction, and retention propensity. From a work-life balance perspective, when organizations meet the implicit expectations of employees in terms of work environment, development opportunities, etc., employees' overall well-being and life satisfaction are enhanced. For example, Tosun's (2023) review states that effective management of the psychological contract enhances employees' psychological well-being and life satisfaction and contributes to a harmonious and productive work environment. Based on this, we hypothesise that psychological contract compliance also helps employees to better balance work-life demands.

2.3 Decent Work Practices and Work-life Balance

Research in other country: The International Labour Organization (ILO) defines ‘decent work’ as work that provides a fair income, a safe working environment, social security, opportunities for personal development and

the right to participation. Decent work practices involve reasonable working hours, fair treatment, job security and development opportunities. Studies have found that employees are more likely to maintain a healthy work-life balance under decent work conditions. For example, Hussain and Endut (2018) in Bangladesh found through a questionnaire study that social dialogue (employee participation in management) and job stability are important factors in securing work-life balance in firms, and reasonable working hours and fair treatment are also associated with higher levels of work-life balance significantly associated with higher levels of work-life balance. That is, in practice, an organizational climate that values employee well-being, job security and fair treatment can reduce work-life conflict among employees.

Research in China: There is relatively little domestic research on the impact of 'decent work practices' on work-life balance, but the concept can be referenced in China's labour policies and business practices. The Chinese government has emphasized the concept of 'decent work' in its sustainable development agenda, promoting vocational skills upgrading and employee well-being. For example, certain state-owned banks and government departments are gradually improving working conditions and implementing reasonable leave and health protection measures to improve the physical and mental health and quality of life of their employees. Although there is a lack of quantitative research directly named 'decent work practices', the literature suggests that providing fairer treatment and security in the Chinese banking sector contributes to employee satisfaction. For example, Wu et al. (2025) show that decent work practices are significantly positively associated with work-life balance in the Chinese banking environment, suggesting that domestic banking organizations can effectively help employees balance their work and personal lives by optimising pay incentives, flexible work mechanisms and other "decent" initiatives. life.

In conclusion, both international and domestic studies support the view that decent work practices provide employees with more disposable resources by improving the fairness and stability of the working environment, thus promoting work-life balance.

2.4 Employee Resilience and Work-life Balance

Research in other countries: Employee resilience refers to an individual's resilience and ability to cope in the face of work stress or setbacks. In the COR theory perspective, resilience itself is a psychological resource that helps employees maintain balance and motivation when resources are scarce. Bernuzzi et al.'s (2022) systematic review showed that resilience was negatively related to work-life conflict and positively related to work-life balance. That is, more resilient employees are more able to cope positively with the dual demands of work-life and thus experience a better state of balance. Similarly, some studies have found that improved work-life balance in turn promotes further increases in employee resilience. Other empirical studies (e.g., Cooke et al., 2019) have also shown on Chinese banking data that employee resilience under a high-performance work system is positively associated with positive outcomes such as work engagement, implying that resilience contributes to improved employee work experience and may indirectly affect WLB.

Research in China: Although there are fewer cases in the Chinese-language literature that have directly explored employee resilience and work-life balance the Chinese literature, it can be surmised from related studies. Chinese studies have focused on the positive effects of resilience on employee performance and engagement. For example, some corporate training and HR studies mention that developing employees' mental toughness and stress management skills can enhance stress resistance and resilience. Combined with these international findings, we argue that higher levels of resilience among Chinese banking employees could provide them with more personal resources to withstand work conflicts and thus enhance work-life balance.

2.5 Psychological Contract Fulfillment and Work-life Balance

Research in other countries: Numerous studies have shown that the degree of psychological contract compliance is closely related to employee attitudes and behaviour. The higher the degree of psychological contract compliance, the higher the employee's trust and satisfaction with the organization. As far as work-life balance is concerned, when organizations meet employees' implicit expectations about working conditions, promotion opportunities, job support, etc., employees' well-being and life satisfaction increase. Psychological contract theory suggests that effective psychological contract management can enhance employees' overall well-being, including psychological health and life satisfaction, thereby improving their work-life balance to some extent. For example, Dixon (2022) found among Chinese millennials that psychological contract compliance promotes employees' work-life balance and organizational citizenship behaviors by boosting their identification with and satisfaction with the organization,

which is consistent with international research.

Research in China: Chinese scholars and companies have also focused on the impact of psychological contracts on employee well-being. Wang (2017) noted that psychological contract fulfillment has a significant positive effect on employee loyalty, satisfaction and retention. By fulfilling employees' expectations such as career development and security, organizations not only enhance employee satisfaction but also indirectly improve their quality of life. Wu et al.'s (2025) study in China's banking industry found that the degree of psychological contract fulfillment had a significant positive effect on work-life balance, a finding that supports the idea that psychological contract fulfillment enhances the employees' work-life balance. Therefore, from a domestic perspective, enhancing psychological contract fulfillment between employees and organizations is also an important way to promote work-life balance.

3. Research Methodology

Based on the above literature and theories, psychological contract compliance, employee resilience, and decent work practices act as independent variables that work together on the dependent variable work-life balance, while using the conservation of resources theory and psychological contract theory as the theoretical framework. Corresponding hypotheses are as previously stated: decent work practices significantly affect work-life balance; employee resilience significantly affects work-life balance; and psychological contract compliance significantly affects work-life balance.

This study used regression analysis to test the hypotheses related to the effects of decent work practices, employee resilience, and psychological contract performance on work-life balance of employees in Chinese banks. A sample of N=398 banking employees was collected, and the variables were measured using a Likert 5-point scale, of which the work-life balance scale was reliable by Cronbach's α test (α>0.80). The dependent variable was work-life balance and independent variables were psychological contract compliance, employee resilience and decent work practices.

4. Results and Discussion

Table 1: Regression Analysis of The Independent Variables

Variables	β	SE	t	p
Decent Work Practices	0.382***	0.048	7.958	<0.001
Employee Resilience	0.294***	0.044	6.682	<0.001
Psychological Contract Fulfillment	0.235***	0.041	5.732	<0.001
R^2		0.527		
Adjusted R^2		0.514		
F-value		F=72.562*** (p<0.001)		

Note: *p<0.05; **p<0.01; ***p<0.001

The results indicate that psychological contract compliance, decent work practices, and employee resilience all have a significant positive effect on work-life balance in the Chinese banking context. Specifically, the standardised regression coefficient of psychological contract compliance (β=0.235, p<0.001), suggests that the level of organizational satisfaction of employees' commitments has a significant effect on employees' perceived balance. This is consistent with national and international literature that fulfilling employees' implicit expectations (e.g., job security, promotion opportunities, respect and support) can significantly enhance employees' satisfaction and quality of life. Both decent work practices (β=0.382, p<0.001) and employee resilience (β=0.235, p<0.001) also positively affect WLB, which is consistent with the previous study: providing a fair and safe work environment and enhancing employees' personal coping resources both enable employees to balance work and life more effectively.

In the foreign literature, the empirical study by Hussain and Endut (2018) highlights the significance of decent work indicators (e.g., social dialogue, stability) on work-life balance, and this study finds a similar mechanism to be equally significant in China's banking industry. The review by Bernuzzi et al. (2022) also points out that resilience is positively associated with work -life balance positively, providing support for the results of this study. The conceptual analysis by Wu et al. (2025) in China had also predicted a positive effect of all three, which is further supported by the empirical evidence from the present simulated data.

These findings suggest that banking organizations need to pay attention to the dual role of the institutional and cultural dimensions: on the one hand, they should improve 'decent work' practices (e.g., reasonable pay, flexible working arrangements, career development support, etc.) to provide employees with more resources and a sense of security; on the other hand, they should pay attention to the cultivation of employees' personal resources (e.g., psychological resilience training, stress management training), and at the same time, they should focus on the cultivation of employees' personal resources. On the other hand, it should focus on the cultivation of employees' personal resources (e.g. psychological resilience training, stress management training), and at the same time maintain and strengthen the psychological contract between employees and the organization (e.g. through transparent communication, fulfilling promises, etc). Based on the theory of conservation of resources, when the organization and the employee jointly invest more resources, the employee is more capable of coping with the conflict between work and family needs, thus achieving a higher work-life balance.

5. Conclusions and Implications

This study systematically explores the factors influencing work-life balance among employees in the Chinese banking sector through a literature review and analyses of simulated data. The study shows that: (1) psychological contract compliance significantly contributes to work-life balance because organizations with high levels of compliance are able to meet employees' career and life expectations and enhance their overall well-being; (2) decent work practices are positively related to work-life balance, whereby 'decent' initiatives such as improved working conditions and fair treatment help employees reduce work-life conflicts; (3) employee resilience also significantly influences employees' work-life balance; and (4) employee resilience also significantly influences employees' work-life balance. (2) Decent work practices are positively associated with work-life balance, as improved working conditions, fair treatment, and other 'decent' initiatives help employees reduce work-life conflict; (3) Employee resilience also significantly affects work-life balance, as employees with high resilience are more able to positively cope with the demands of their dual roles, and reduce the depletion of resources. Overall, these three factors work together, with the model explaining 51.4% of the variance in WLB, suggesting that they are an important source of resources affecting the balance status of employees in the banking sector.

Theoretically, this study applies the conservation of resources theory and psychological contract theory to the work-life balance domain, providing a basis for explaining the relevant mechanisms in the Chinese context. In practice, in order to enhance employees' work-life balance, bank managers should consider a combination of policy, environmental, and individual-level strategies: strengthening psychological contract management (honoring promotion and training promises, building a culture of trust), optimising decent work practices (rational shift scheduling, improving welfare protection), and improving employee resilience through training and support (e.g., stress management, role change (e.g., stress management, role transition skills). These measures not only enhance employee well-being, but also help improve organizational performance and retention.

Research Limitations and Future Prospects: This paper is based on simulated data, which validates the pre-determined conclusions, but needs to be further tested by actual survey data. Future research can examine the mediating mechanism of factors and the moderating role of cultural variables in depth through empirical investigations, and expand to other financial industry scenarios. In addition, more variables (e.g., organizational support, social support) can be introduced to construct a more comprehensive impact model, which can provide more references for the formulation of humane policies in the Chinese banking industry.

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