



“A study on stress experienced by the employees of Public and Private sector Banks in Maharashtra”.

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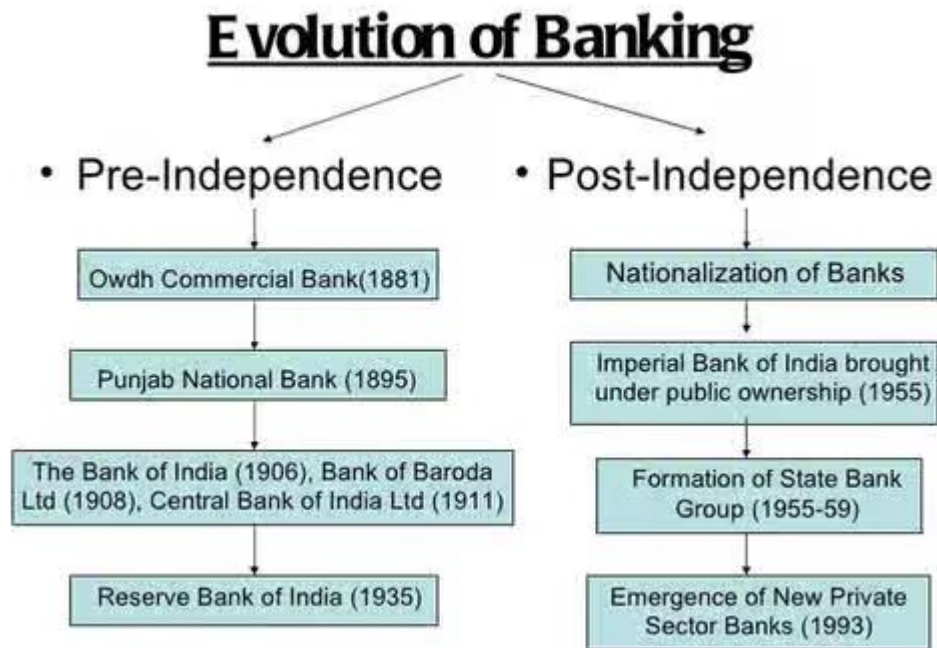
Abstract- In both public and private sector banks today, employees are experiencing increasing levels of work-related stress, with a particularly notable rise in stress levels among private sector bank employees. This heightened stress is primarily observed among managerial-level employees who find themselves deeply engrossed in their office duties (desk jobs) and simultaneously engaged in fieldwork outside the office. Furthermore, the stress is compounded by the challenges posed by nuclear family dynamics, as employees are tasked with juggling both their familial and organizational responsibilities, often leading to a significant imbalance between their work and family life.

This paper's primary objective is to analyse and pinpoint the sources of stress among employees in the banking sector in India. While a considerable body of research suggests that a substantial number of bank employees, particularly in private sector banks, experience significant work-related stress, it has become increasingly apparent that this working stress has also permeated into the public sector banking workforce. This paper, specifically focused on the state of Maharashtra in India, aims to compare, and contrast the stress levels between employees in public and private sector banks. To achieve this, we rely on a comprehensive examination of various secondary sources, including research papers, articles, websites, and journals.

Keywords: *Work-related stress, Public Sector Banks, Private Sector Banks, Sources of stress, Work-family conflict, Job Satisfaction, Coping Strategies.*

1. INTRODUCTION-

Stress can be defined as the discord between an individual's abilities and the demands imposed by their work environment. In 1956, Hans Selye characterized stress as the presence of external factors or internal drives that pose a threat to the organism's equilibrium. In 1999, the National Institute of Occupational Safety and Health (NIOSH) described work-related stress as the negative emotional responses that arise when a job's requirements do not align with the worker's capabilities, resources, or needs. According to Robbins and Sanghi in 2006, Stress arises when individuals are faced with an opportunity, limitation, or demand, particularly when the anticipated outcome holds significance and is uncertain.



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This paper's objective is to analyse the specific forms of occupational stress prevalent in India's banking sector. In an increasingly competitive world, everyone is eager to gain a competitive advantage and benchmark themselves against their rivals. This pursuit of competitiveness inevitably introduces stress, as employers continuously demand higher levels of performance and productivity from their employees. Consequently, employees find themselves in a dilemma - they must either cope with the stress or face the prospect of unemployment, which generates significant anxiety about supporting their families.

Moreover, the contemporary societal trend emphasizes materialistic happiness, with people aspiring to possess well-furnished homes and luxurious cars, signalling their status in the upper echelons of society. Collectively, these factors contribute to mounting pressures on banking sector employees.

Nationalization of Banks

Banking sector is reckoned as a hub and barometer of the financial system. As a pillar of the economy, this sector plays a predominant role in the economic development of the country. Over the last ten years the banking industry has gone through some sweeping changes. Transformation, Consolidation, Outsourcing is just some of the most prominent buzzwords that are used to describe major trends afflicting the banking industry. Moreover, expanding business activities of the private banks, re-entry of foreign banks, strict regulatory and disclosure requirements and increased minimum paid up capital requirements, modernization of Core Banking Systems, increased automation and up gradation of IT and development of new products shall have a significant impact on the banks employees.

The concept of bank nationalization in India was established when the Government of India took the significant step of nationalizing 14 banks on July 19, 1969. This decision came about as part of the government's strategic efforts to promote systematic economic development following India's independence. As of 2023, India had a total of 12 nationalized banks and 21 private sector banks.

Securing a job in the banking sector has become a coveted aspiration for today's youth, representing a prestigious corporate career. The common perception among individuals is that banking jobs offer relaxation and minimal stress. However, multiple national studies have revealed that both public and private sector banking roles in fact, quite stressful.

Developments in the Banking Industry

- 1. Electronic Payment Services - E Cheques:** With the advances in technology, we frequently encounter terms like e-governance, e-mail, e-commerce, and e-tail. Similarly, a new technology is emerging in the United States to introduce e-cheques, which are poised to replace traditional paper cheques. India, as a pioneer in adopting e-cheques, has already amended the Negotiable Instruments Act to incorporate Truncated Cheques and E-cheque instruments.
- 2. Real Time Gross Settlement (RTGS):** The Real Time Gross Settlement system, introduced in India since March 2004, allows banks to electronically instruct fund transfers from one bank to another. This system, managed and operated by the RBI, enables swift and efficient fund transfers among banks, streamlining their financial operations. As the name implies, transfers occur in real-time, ensuring instant crediting of the beneficiary's account within two hours by the beneficiary's bank.
- 3. Electronic Funds Transfer (EFT):** Electronic Funds Transfer (EFT) is a system where individuals or companies can approach their bank to initiate cash payments or provide instructions for direct fund transfers from their own accounts to the recipient's bank account. Detailed information, including the recipient's name, bank account number, account type, bank name, city, and branch name, must be furnished to the bank to ensure accurate and prompt fund transfers. RBI serves as the EFT service provider.
- 4. Electronic Clearing Service (ECS):** Electronic Clearing Service is a retail payment system primarily designed for bulk payments and receipts of a similar nature, especially when individual payments are repetitive and of relatively smaller amounts. This service caters to companies and government departments to facilitate large-scale payment processing, rather than for individual fund transfers.
- 5. Automatic Teller Machine (ATM):** The Automatic Teller Machine is a widely popular device in India, allowing customers to withdraw money 24/7. It enables customers with ATM cards to conduct routine banking transactions without interacting with a human teller. Besides cash withdrawal, ATMs can be used for utility bill payments, inter-account fund transfers, cheque and cash deposits, and balance inquiries.
- 6. Point of Sale Terminal:** A Point of Sale Terminal is a computer terminal connected online to a bank's computerized customer information files. It operates alongside a magnetically encoded plastic transaction card that identifies the customer. During a transaction, the customer's account is debited, and the retailer's account is credited electronically for the purchase amount.
- 7. Tele Banking:** Tele Banking allows customers to perform non-cash banking activities via telephone. It employs an Automatic Voice Recorder for simpler queries and transactions, while more complex inquiries and transactions are handled by manned phone terminals.
- 8. Electronic Data Interchange (EDI):** Electronic Data Interchange refers to the electronic exchange of business documents such as purchase orders, invoices, shipping notices, and receiving advice in a standardized, computer-processed, universally accepted format among trading partners. EDI can also be utilized to transmit financial information and payments electronically.

Source: <https://www.mbainfoline.com/Articles%20on%20Management/Recent%20Trends%20in%20Banking.htm>

2. LITERATURE REVIEW

Several researchers have defined stress in different words such as,

BEEHR and NEWMAN (1978), Stress is a combination of physical and psychological reactions to events that challenge or threaten us. Most researchers have defined occupational stress only in terms of negative characteristics of the individual organizational interface, using stressors such as overload, role conflict, and role ambiguity. Job stress is usually conceptualized as a condition where in job related factors interact with the individual to change his or her psychological or physiological conditions such that the person is forced to deviate from normal functioning.

DOUGLAS (1980), stress is defined as any action or situation that places special physical or psychological demand upon a person.

BEGLEY & BOYD (1985), This study investigates personal orientations as potential remedies for work-related stress and its associated health issues. By employing structural equation modeling, the research reveals that factors such as a sense of mastery and religious beliefs can mitigate work-related stress, anxiety, and depression. Furthermore, a sense of mastery also reduces somatic complaints. Additionally, the interplay between optimism and work-related stress influences levels of anxiety, depression, and somatic complaints. The study examined a total of fifteen interaction terms, exploring the interactions between five different personal orientations and their impact on various outcome measures in response to work-related stress.

VAN FLEET (1988), stress is caused when a person is subjected to unusual situations, demands, extreme expectations or pressures that are difficult to handle.

ERKUTLA & CHAFRA (2006), Stress, in general, can be defined as the reaction of individuals to demands (stressors) imposed upon them. It refers to situations where the well-being of individuals is detrimentally affected by their failure to cope with the demands of their environment.

Sankpal, Negi, Vashishtha (2010) The study was conducted in Gwalior city and a sample of 100 bank employees is used for data collection 50 each from public and sector. The objectives of the study were to compare organizational role stress of managers in public and private banks and to open new vistas for further research. The study was exploratory in nature. Survey method was used to complete the study. It was found that the private bank employees experienced higher organizational role stress than their public bank counterparts. Looking at the various aspects of components of organizational role stress, it was found that there was no difference between the Public and Private Sector bank employees in certain aspects like role expectation conflict, role isolation, and personal inadequacy and role ambiguity.

Jyashree's (2011), study employed a sample size of 100 employees. Initially, a pilot test was conducted by administering a questionnaire to approximately 10 respondents. Data was collected from bank employees across all hierarchical levels. The respondents were initially categorized into two groups: stressed and not stressed. This categorization revealed that 97% of the employees experienced stress, while the remaining 3% did not. Jayashree then identified nine factors contributing to stress: Work overload, Lack of Acceptance, Time Management, Lack of Support, Feelings of Inequality, Job Difficulty, Inadequate Role Authority, Impatient Customers, and Stress resulting from technological issues.

CAROLE SPIERS (2012), conducted an analysis to develop an approach to stress management. The study relied on secondary data gathered from previous research. The findings of the study revealed that key factors contributing to effective stress management include fostering good communication, holding managers accountable for creating a positive workplace environment, enhancing workplace culture, addressing issues such as excessive heat, cold, extended working hours, and overcrowding. Additionally, having dynamic leaders played a significant role in stress management.

ERIC S PARILLA (2012), aimed to create a stress management approach by identifying the sources of stress among employees in different job positions. The study revealed that employees in higher-level positions experienced lower stress levels, while those in middle-level positions reported the highest levels of stress.

SHUKLA HARISH & GARG RACHITA (2013), have conducted a study on stress management among the employees of nationalized banks in Indore, observed that most of the employees fear with the point that lack quality in their work sets stress on them. The researchers have explained that this study has exploratory in nature and maximum number of employees in bank has remained in stress. The main causes of stress overloaded, non-achievement of their target of work, family problem, the order of their boss by sacrificing their important home function.

Samartha, Begum, and Lokesh (2014), the study conducted had a mixed descriptive and diagnostic approach. The research utilized both primary and secondary data sources. India boasts a total of 27 public sector banks and 30 private sector banks. However, for this study, the researchers narrowed their focus to three public sector banks and three private sector banks. They collected data from a sample of 537 respondents, with 411 employees hailing from public sector banks and 126 employees from private banks. To examine the hypothesis that "private sector bank employees experience more stress than public sector bank employees," the researchers employed the Chi-square test. The test's findings suggested that there is no significant difference between public and private sector banks concerning the level of stress experienced in relation to job demands.

Selvakumar's (2015), study, it was found that employees in public sector banks experienced greater stress issues compared to their counterparts in private banks. The primary reasons for this disparity were attributed to factors such as a lack of social support from managers, limited job control, and a rigid organizational culture within public sector banks. The study involved an analysis of occupational stress and performance levels among employees in both public and private sector banks. Specifically, it revealed that private bank employees encountered stress-inducing factors like inter-role distance, role expectations conflict, and role overload, whereas public bank employees expressed discontentment with all these stress-contributing factors.

3. OBJECTIVES

1. To investigate the impact of stress on factors related to work, job satisfaction, and organizational commitment.
2. To contrast the origins of stress in public and private sector banks.
3. To identify and compare the causes of stress in both public and private sector banks.
4. To determine the coping mechanisms employed by managers and their influence on stress reduction and the enhancement of work-family relationships.

4. RESEARCH METHODOLOGY

This study is entirely qualitative in its approach, relying on secondary data gathered from diverse sources such as reviews, government and private reports, publications found on various websites, books, newspapers, journals, and magazines.

5. FINDINGS

1. The study's conclusion is that employees in both sectors of the banking industry are burdened with excessive workloads, and the sources of stress are similar in both sectors.
2. Stress levels are higher in private banks compared to public sector banks, primarily due to the intense pressure on employees to generate business for the bank. This pressure is more pronounced in private banks, given the concerns about job security.
3. Employees in both sectors frequently employ coping strategies based on their personal interests and needs.

4. Job satisfaction is lower among government sector bank employees, while private sector bank employees enjoy additional benefits compared to their public sector counterparts.
5. Organizational commitment remains unwavering in both sectors, as perceived by employees.
6. Stress has a significant impact on the work-family life of private sector bank employees, particularly managers.
7. The study also highlights that the banking sector, in both the private and public sectors, is not actively involved in implementing stress management programs for its employees.

6. SUGGESTIONS

Encouraging employees to practice stress-reduction techniques such as yoga and meditation can contribute to alleviating stress and strain. Promoting counselling services can also be beneficial, as they provide individuals with relief from emotional distress, boost self-assurance, enhance decision-making abilities, and improve interpersonal relationships.

8. CONCLUSION

The challenge of stress is an inherent and inescapable aspect of the banking sector. A significant portion of employees grapple with severe stress-related ailments and various psychological issues. Consequently, management must take proactive steps to help their staff mitigate the destructive effects of stress. Given that the primary sources of stress in the banking sector are often excessive work pressure and an imbalance between work and personal life, organizations should actively support and encourage roles that facilitate a healthier work-life balance.

Job-related stress significantly impacts employee job satisfaction in both public and private sectors. Stress levels can vary among employees, necessitating a tailored approach by management to identify and address individual stressors effectively. Allocating sufficient time for employees to complete their tasks can reduce work overload, while emphasizing conducive working conditions can enhance job engagement.

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