A STUDY OF STRESS MANAGEMENT AND ITS EFFECTS IN BANKING INDUSTRY

Dr Shekhar Sharma
Associate Prof. & Head
Department of Commerce
N.R.E.C. Khurja Bulandshahar

ABSTRACT:

Demands on employees to keep up with the ever-quickening pace of change and to push levels of productivity and accuracy ever higher will stress some of them to the breaking point. Even more, employees struggling with personal problems, emotional frustrations, and substance abuse will increasingly bring those problems into the workplace. Employers would, therefore, do well to take occupational stress seriously, as at the end of the day the message is that occupational stress costs – in litigation, on out-of-court settlements, in sick pay and in having a demotivated and underproductive workforce. Namely, it is said that in total stress at work may account for 1-3.5% of GDP of a country. Unfortunately, at present it still seems that few managers perceive a direct relationship between employee stress and organizational performance outcomes, and that many organizations fail to recognize that one way of achieving bigger profits is through healthier people.

Key Words: Stress Management, Satisfaction, Employee Performance.

INTRODUCTION

Growth opportunities come in a variety of ways; a great deal of energy and resources may be wasted if an entrepreneur does not identify these on time. The remarkable example for growth strategy is 'Mergers and Acquisition' (M&As). Companies are supposed to be proactive rather than reactive to the changing business environment. Due to the cut-throat competition, technological up gradation, recession in global economy and stock market volatility banks are facing various challenges at the market place. In response to these factors, banks around the world are restructuring their assets, operations and contractual relationships with their shareholders, creditors and other financial stakeholders. Corporate restructuring has facilitated many organizations to re-establish their strategies in order to respond more efficiently and effectively to unforeseen challenges of the market.

In recent times, we have seen many examples of M&As in banking industry. Apart from financial issues, there are certain issues, which are not given full consideration.

Therefore, this is a modest attempt to identify and study the various factors or stressors which determine the level of stress among employees after M&As. These stressors will surely have effects on the attitude and a number of work-related behaviors of employees; consequently, the performance of the bank employees will suffer.

It is unavoidable for anyone to exclude himself or herself from the organizational decisions; therefore, employees are an inevitable part of the decision taken by the top management. In this article, we are studying the factors which determine the stress among employees. Precisely, we need to understand the term 'stress' which was coined by Hans Selye in 1936. He defined it as "the non-specific response of the body to any demand for change." Stress management can be defined as interventions designed to reduce the impact of stressors in the workplace. These can have an individual focus, aimed at increasing an individual's ability to cope with stressors.

REVIEW OF LITERATURE

According to Anderson (2002) "work to family conflicts is also a predecessor which creates stress in employees of an organization."In banks the poor relationship among employees often cause stress and have

adverse effects on the performance of employees. Lack of social support from colleagues and poor interpersonal relationships can cause stress especially among employees with a high social need.

Emsley (2003) in their research study multiple goals and managers' job-related tension and performance suggested that job-related tension and performance deteriorate as managers pursue multiple goals although the relationship seems to be non-linear. The relative importance of goals does not appear to be important.

K. S. Rajeswari and R. N. Anantharaman (2003) Development of an instrument to measure stress among software professionals: factor analytic published in SIGMIS CPR April 2003 investigated sources of negative pressure among software professionals, from the perspective of the software development process. The results indicate that stress resulted from fear of obsolescence and individual team interactions accounted maximum.

Leemamol Mathew of University of Calicut (2005) found in - An Exploratory Study on Occupational Stress and Coping Strategies of Special Educators (those who teach the disabled) in South India as the sources of stress as i) school structure and climate, ii) home/work interface, iii) relationship with other people, iv) intrinsic job factors. The common effect of stress on special educators was found to be health related problems - both physical and mental - and job dissatisfaction. There was no organised method to redress the problem rising from occupational stress.

Subha and shakeel (2009) described "Higher level of stress existed with no managerial concern for solution consequently lowering the employee performance, staking organizational reputation and loss of skilled employees, these situations call for immediate concern from organization management for employing effective stress management practices to increase employee satisfaction and overall employee performance."

Babak et al.,(2010) studied "With excessive pressures, the job demands cannot be met, relaxation turns to exhaustion and a sense of satisfaction replaces with the feelings of stress, motivation sheds away and the workers start losing interest in the work and hence performance chart shows a negative trend."

Empirical Review Tabassum (2011) carried out a study on the process of recruitment and selection in a developing country: case study of Basic Bank in Bangladesh. The objectives of the study were to assess and evaluate its existing recruitment and selection methods and provide some suggestions that can help the Bank in utilizing human resources as a distinctive competency. Basic bank Limited is one of the significant public sector employers in Bangladesh, which needs a large number of qualified, high potential and committed staff to attain the organization's goals effectively. The result of the study shows that Basic Bank Limited discourages the employee referral based recruitment process and it relies more on external sources of recruitment. It also found that this bank has an extensive selection process consisting of curriculum vitae screening, employment tests, interviews and background checks. However, the study had a research gap as it did not address other factors that would affect employee satisfaction. In addition, the study failed to utilize factor analysis and odd ratio regression as this is the appropriate methodology of analyzing likert scale data.

Satyanarayan. K.S & Dr.Maran.K (2011) in a study on Stress Management in IT Industry, highlight the job stress, types of stress and its impact on employees who have working in various departments in SEMANSYS technologies. The researchers have found that the major factor of stress has workload, vulnerability and low physical conditions. Significant correlation between workload and emotional exhaustion and there is no significant different in stress variable and gender. They have used the 100-sample size and convenience sampling method. They have given the some suggestion for reduce the stress such as yoga, counselling, brainstorming games, relaxation activity.

Deshpande C. Revati (2012) has explored the various causes of stress at workplace A healthy way to handle work place stress through Yoga, Meditation and Soothing It aims at suggesting the various stress management techniques like humour Yoga, Meditation and Soothing. The study has exploratory in nature and based on secondary data. The researcher has suggested that Stress to be reduced if enterprises take the right steps. Employees perform better, work harder, feel happier and have a long-term commitment to the organization in stress free environment.

Atambo and Otundo (2013) conducted a study on the effects of perceived work conditions on job satisfaction: a survey of the ministry of education field officers, Kenya, concluded that the improvement of working conditions in order to enhance job satisfaction is necessary towards increasing performance of the field officers. Therefore, there is a scarcity of studies on factors affecting employee satisfaction in the banking industry: case of Consolidated Bank of Kenya limited, in Kenya and this is the gap that the study wished to address.

Ling, Bahron, and Boroh (2014) conducted a study on Role Stress and Job Satisfaction among Bank Employees in Kota Kinabalu, Samba. During the late 1980s and the early 1990s, the nature of banking industry was changed. This was the result of a combination of changes on the competitive environment. The study aimed to investigate the relationship between role stress and job satisfaction among bank employees in Kota Kinabalu, Sabah. This study also attempted to investigate the mediating role of demographic factors to include gender and position level. A total of 163 respondents were surveyed through questionnaire approach and data from the 163 respondents - representing a 79.5% of response rate, were analysed. The role stress (independent variable) was tested with multiple regressions on job satisfaction (dependent variable). Meanwhile, the moderating effects of gender and position level were examined using hierarchical regression analysis. The findings showed that there is a significant relationship between role stress and job satisfaction. The findings also showed that gender has a moderating effect on role stress towards job satisfaction.

Radha.G (2014), Occupational Stress among the bank Employeesin Tivarurar District of Tamil Nadu , expresses the level of occupational stress among public sector bank employers. The result of the study reveals that the officers and clericalstaff experience high level of stress and sub-staff face moderate occupational stress. This study defines that occupational stress to be harmful physical and emotional responses that occur when the requirements of the job do not match the capabilities resources, or needs of the workers.

OBJECTIVES OF THE STUDY

Following are the main objectives of the present study—

1. To find out the effects of occupational stress, i.e., low, moderate and high on psychological well-being and self-esteem.
2. To find out the effects of length of employment (length of service) i.e., below 5 years, 10-15 years, and above 20 years service on psychological well being and self esteem.

HYPOTHESIS

In order to achieve the above objectives following hypothesis has been tested:

1. Level of occupational stress with have no significant effect on psychological well-being and self-esteem.
2. Length of employment will have no significant effect on psychological well-being and self-esteem.
3. Cadre of the employee's will have no significant effect on psychological well-being and self-esteem.

METHODOLOGY

Experimental Design : In the present study three-way, between group factorial design i.e., $3 \times 3 \times 3$ has been used. The first independent variable, i.e., occupational stress have three levels, i.e., low, moderate and high occupational stress. The second independent variable, i.e., length of employment of (length of service) of the employee have three levels i.e., below 5 years, 10-15 years and above 20 years length of service. The third independent variable cadre of employee also have three levels, i.e., manager, supervisor and workers. Thus there are 27 cells (groups).

Sample : A sample of 90 employee representing three levels of occupational stress i.e., low, moderate and high, (each consisting of 90 subjects) has been used.
The 30 subjects of each sub group representing each cadre of employee are include equal number of subjects of three cadre, i.e., 10 managers, 10 supervisors and 10 workers category. A tabular representation of distribution of sample is given in Table-1.

VARIABLES UNDER STUDY

Independent Variables : Effects of three independent variables has been investigated in the present study. These variables are.
(1)   Occupational Stress : This variable have three levels-
(A)   Low occupational stress
(B)   Moderate occupational stress
(C)   High occupational stress

TOOLS

Following tools has been used—
(A)   Psychological well-being scale developed by Prof. S. N. Rai and Deepika.

The first independent variable of the study was Self esteem and Psychological well being here as 'A' and its different levels namely A_1 (Low Occupational Stress), A_2 (Moderate Occupational Stress) and A_3(High Occupational Stress).

The second independent variable, Length of Service of the employees is called here as 'B'and its various levels namely B_1 (Below 5 years), B_2 (10-15 years) and B_3 (Above 20 years).

The third independent variable, Cadre, is designated as 'C' and its sub-levels are C_1 (Manager), C_2 (Supervisor) and C_3 (Workers).

The present study has been divided in two sections, Statistical analysis of Self esteem and Psychological Well being and the interpretation of the results on their basis, for clarity and convenience.

STATISTICAL ANALYSIS OF PSYCHOLOGICAL WELL-BEING

In order to find out the effects of three independent variables on Self Esteem and Psychological Well Being were analyzed separately by using the three way analysis of variance (ANOVA) technique. This technique is useful in testing differences between two or more means and its special merit lies in testing differences of all means at the same time. The F test furnishes a comprehensive test of significance of differences among means, but it fails to locate as to which of the means differs significantly. In the case of significant F, more specific comparison are made among the means for the factors having more than two levels by the use of post hoc Multi-group Comparison test. For mean comparisons, the Newman-Keuls test has been selected and the procedure prescribed in the books Ferguson (1971) and K.D. Brota (1989) has been followed in applying the Newman-Keuls Test.

Mean values for the different levels of the three independent variables were calculated. Mean values of Self Esteem for the three independent variables are given in Table 1.

Table 1 : Well-Being (Mean) Three Independent Variable

A_1 = 234.34	B_1 = 220.43	C_1 = 189.60
A_2 = 229.41	B_2 = 226.52	C_2 = 223.71
A_3 = 217.26	B_3 = 234.06	C_3 = 267.71

Table 2 : Summary Table of Analysis of Variance (Well Being)

Source of Variation	Sum of Squares	df	Mean Squares	f
A (Occupational Stream)	13904.27	2	6952.35	63.52**
B (Length of Service)	8395.83	2	4197.91	38.35**
C (Cadre)	276027.41	2	138013.70	1260.97**
$A \times B$	142.96	4	35.74	0.33
$A \times C$	446.36	4	111.59	1.02
$B \times C$	1266.40	4	316.60	2.89*
$A \times B \times C$	988.16	8	123.52	1.13
Error (within Treatment)	26597.60	243	109.45	–

** Significant at 0.01 level

* Significant at 0.05 level

Table 2 shows that F ratio of first independent variable i.e. Occupational Stress of the subjects is (F, 2, 243 = 193.71) which is significant at 0.01 level of confidence. This lead us to conclude that Occupational Stress is an influential factor in determining the Self Esteem of their subjects. Thus, the null hypothesis, that there is no significant difference in the cores of Self Esteem High, Moderate and Low Occupational Stress of subjects was rejected.

The fact, that the three levels of Occupational Stress affect the self esteem also signifies that the three means stand apart. In order to know as to Self Esteem of which had maximum and of which had minimum self esteem, men self esteem scores were calculated for each category of Occupational stress mean self esteem cores, thus, obtained are given in table .

Table 3 : Well Being (Mean) Three Independent Variable

Level of Occupational Stress (A)	Mean Score
A_1 (Low Occupational Stress)	234.34
A_2 (Moderate Occupational Stress)	229.41
A_3 (High Occupational Stress)	217.26

OCCUPATIONAL STRESS

In the above table we have measured occupational stress, where the value of A_1 (Low Occupational Stress) is very much high (234.34) followed by Moderate Occupational Stress (A_2= 229.41) and High Occupational Stress (A_3 = 217.26). Mean to say $A_1 > A_2 > A_3$.

Table 4 : Newman-Keuls Test (Well Being)

Group Compared Ordered Mean	Newman-Keuls Test (A)		
	A_3 217.26	A_2 229.41	A_3 234.34
A_3 217.26	–	12.15**	17.08**
A_2 229.41		–	4.93**
A_3 234.34			–

From the Newman-Keuls test where group compared ordered mean has been calculated, all three mean group were found to be significant at 0.01 level of confidence.

Table 5 : Well Being (Mean) Three Independent Variable

Length of Service (B)	Mean Score
B_1 (Below 5 Years)	220.43
B_2 (10 - 15 Years)	226.52
B_3 (Above 20 Years)	234.06

LENGTH OF SERVICE

In the above table we have measured Length of Service, where the value of B1 (Below 5 years) is (220.43), B2 (10 to 15 years = 226.52) and B3 (Above 20 Years = 234.06). Mean to say B1 < B2 < B3.

Above table shows that F ratio of first independent variable i.e. Length of Service of the subjects is (F, 2, 243 = 115.03**) which is significant at 0.01 level of confidence. This lead us to conclude that Length of Service is an influential factor in determining the Self Esteem of their subjects. Thus, the null hypothesis, that there is no significant difference in the scores of B1, B2 and B3 of subjects was rejected.

Table 6 : Well Being (Mean) Three Independent Variable

Cadre (C)	Mean Score
C_1 (Managers)	189.60
C_2 (Supervisors)	223.71
C_3 (Workers)	267.71

STATISTICAL ANALYSIS OF PSYCHOLOGICAL WELL BEING

In order to find out the effects of three independent variables on Self Esteem and Psychological Well Being were analyzed separately by using the three way analysis of variance (ANOVA) technique. This technique is useful in testing differences between two or more means and its special merit lies in testing differences of all means at the same time. The F test furnishes a comprehensive test of significance of differences among means, but it fails to locate as to which of the means differs significantly. In the case of significant F, more specific comparison are made among the means for the factors having more than two levels by the use of post hoc Multi-group Comparison test. For mean comparisons, the Newman-Keuls test has been selected and the procedure prescribed in the books Ferguson (1971) and K.D. Brota (1989) has been followed in applying the Newman-Keuls Test.

TWO FACTOR INTERACTION EFFECTS

Since in the present study effects of three independent variables have been investigated, three two factor interaction, i.e., $A \times B$, $A \times C$ and $B \times C$ were obtained. Table reveals that out of three interaction effects, two were found to be significant at 0.01 level of significance namely $A \times B$ and $B \times C$, while the remaining one i.e., $A \times C$ is significant at 0.05 level of significance. The three hypotheses related to the two factor interaction effects are discussed below in light of the research findings.

CONCLUSION AND FINDINGS

Although the findings are applicable to professional life, a generally accepted theory of occupational stress has not been developed. There is need for a clear conceptual definition, including how occupational stress relates to cognate concepts like work stress, job stress, workloads, environmental stressors, and occupational health. Several previous overviews on relevant topics began with the assumption that the basic propositions are obscure and varied, making a discussion of analyzed problems difficult, "a major limitation of research on sources of stress in the workplace stems from ambiguity in the conceptual definition of occupational stress, which often differs from study to study".

Whatever its legal and material characteristics, any company taking risks in commercial competition has vulnerabilities in relation to its competitors, employees and customers. The need to ensure the organization's survival in the face of damages from natural disasters, economic, political or social risks and ensure the safety nets required by insurers and external regulations (employment and fire safety) creates very different perceptions and concerns in its leadership. Size, geographical location and business sector are three of the most significant macro-sociological variables necessary to comprehend the nature of the mechanisms used to protect against the vulnerabilities, risks and threats that affect businesses. In order to understand the internal protections found in large corporations in the era of global security—a new necessity for the science of policing as well as policing agencies—boldness as well as modesty will be required.

The person–environment-fit models provide a macro-outlook of occupational stress and give a global description of risk factors, by linking together sources and negative consequences of the stress experience.

Although the findings are applicable to professional life, a generally accepted theory of occupational stress has not been developed. There is need for a clear conceptual definition, including how occupational stress relates to cognate concepts like work stress, job stress, workloads, environmental stressors, and occupational health. Several previous overviews on relevant topics began with the assumption that the basic propositions are obscure and varied, making a discussion of analyzed problems difficult.

1. The person–environment-fit models provide a macro-outlook of occupational stress and give a global description of risk factors, by linking together sources and negative consequences of the stress experience.
2. The transactional models show the intermediate methods used to analyze an individual vulnerability to stress and to enhance psychological management of stress initiation and coping strategies.
3. The state-regulation approach presents a microanalysis of individual modes of adaptation and helps to develop powerful diagnostic tools for integrative stress assessment.

REFERENCES

1. Schraeder, M., Swamidass, P. M. and Morrison, R. (2006). Employee Involvement, Attitudes and Reactions to Technology Changes. Journal of Leadership & Organizational Studies, 12(3), 85-100.
2. Cartwright, S. and Cooper, C. L. (1993). The Psychological Impact of Merger and Acquisition on the Individual: A Study of Building Society Managers. Human Relations, 46(3), 327-347.
3. Buono, A. F. and Bowditch, J. L. (2003). Human side of mergers and acquisitions: Managing collisions between people, cultures, and organizations. Washington, D. C., USA: Beard Books.
4. Mylonakis, J. (2006). The Impact of Banks' Mergers & Acquisitions on their Staff Employment & Effectiveness. International Research Journal of Finance and Economics, (3), 121-137.
5. Martinez, P. (2009). Employee Assistance Plans help Staff Deal with Stress. Business First of Buffalo, 25(28), 18-18. From Regional Business News database, Pacific Institute of Management.
6. Sakas, D. and Triantafyllopoulos, Y. (2009). Lessons from a Case Study for Greek Banking M&A Negotiations. Management Decision, 47(8), 1300-1312. December, 09, 2011, from Corporate Resource Net, Pacific Institute of Management.
7. Rafferty, A. E., & Restubog, S. D. (2010). The Impact of Change Process and Context on Change Reactions and Turnover During a Merger. Journal of Management, 36(5), 1309-1338.
8. Hassan, R. (2010). Merger and Acquisition: The Organization Well Being and Impact to the Employees of The Acquired Organization. Business Management Quarterly Review, 1(1), 31-40.
9. Clarke, N. and Salleh, N. M. (2011). Emotions and Their Management during a Merger in Brunei. Human Resource Development International, 14(3), 291-304.
10. Kaushik K.R, Bansal Kapil, "Foreign direct investment in Indian retail sector pros and cons" International journal of emerging research in management & technology, Vol- 2, Issue-2, PP 7-15, 2012
11. Geete, V. (2011). A Study on Impact of Merger of State Bank of India with its Associate Banks and Bankers View towards Merger of Indore City.
12. Goyal, K.A. and Joshi, V. (2011). Mergers in Banking Industry of India: Some Emerging Issues. Asian Journal of Business and Management Sciences, 1(2), 157-165.
13. Kahr, A. (2011). Profitability Comes Down to Staff Cuts. American Banker, 176(127), 8. Downloaded on December 09, 2011, from Corporate Resource Net, Pacific Institute of Management.