CHAPTER – III

CAUSES OF OCCUPATIONAL STRESS IN SERVICE SECTOR

3.1 PROFILE OF INDIAN OVERSEAS BANK

Indian Overseas Bank (IOB) a leading commercial bank based in Chennai, India was established in 1937. IOB had the distinction of commencing operations simultaneously in three branches at Karaikudi, Chennai, and Yangon (Myanmar). IOB aimed to encourage overseas banking and foreign exchange operations. So, it soon opened its branches in Penang and Singapore.

IOB was the first bank to venture into consumer credit, as it introduced the popular Personal Loan Scheme. In 1964, the Bank started computerization in the areas of inter-branch reconciliation and Provident Fund accounts. Indian Overseas Bank was one of the 14 major banks which were nationalized in 1969. After nationalization, the Bank emphasized on opening its branches in rural parts of India. In 1979, IOB opened a Foreign Currency Banking Unit in the free trade zone in Colombo.
Today, Indian Overseas Bank boasts of a vast domain in banking sector with over 2303 domestic branches and 6 branches overseas. Indian Overseas Bank has an ISO certified in-house Information Technology department, which has developed the software that 2303 branches use to provide online banking to customers.

The bank has achieved 100 per cent networking status as well as 100 percent Core Banking Solution status of branches with a total number of 2303 CBS branches and 6 Extension Counters. IOB also has a network of about 1300 ATMs all over India and IOB's International VISA Debit Card is accepted at all ATMs belonging to Cash Tree and NFS networks. IOB offers internet Banking (E-See Banking) and is one of the banks that the Government of India has approved for online payment of taxes.

3.2 PROFILE OF THE INDIAN BANK

Indian Bank is a major Indian Commercial bank headquartered in Chennai (Madras), India. It has 22,000 employees, 1,657 branches and is one of the big public sector banks in India. Indian Bank is one of the indigenous banks of India that emerged as a result of the Swadeshi (indigenous) Movement during the British Raj. The bank was established on 15th August, 1907. One of the prominent figures associated with the establishment of the bank was V. Krishnaswamy Iyer, veteran freedom fighter and a famous lawyer from Madras (now Chennai). The bank was nationalized by the Government of India in the year 1969.

The modest beginning made by the Indian Bank has come a long way since then, with 1642 branches located nationwide within India and Overseas branches in Singapore and Colombo, Rangoon, Burma as on April 2009. The
bank also has 70 Overseas Correspondent banks in 70 countries, giving a strong presence internationally. A strong workforce of dedicated employees takes pride in serving the Indian Bank.

Indian Bank offers a wide variety of Banking Products and Services to its customers, including various Deposit Schemes, Loan Options, Financial Services, Stock Investment Services and a number of specialized services such as Remittance, Collection, 7 Day Banking Branches, Cash Management and Electronic Funds Transfer. As of April 2009, the bank has Core Banking Solution (CBS) implemented in its 1642 branches and 66 extension counters. The bank has 755 connected Automatic Teller Machines (ATMs) installed in 225 locations nationwide.

Apart from its Regular Banking Services, the Indian Bank has also been offering various other services through its 3 subsidiary companies, which are Indbank Merchant Banking Services Ltd., IndBank Housing Ltd. and IndFund Management Ltd.

Indian Bank has been a leader in bringing new initiatives for development of rural banking and extending help to the farmers of India. The bank has received award from Honorable Union Minister of Finance for Excellence in Agricultural Lending. Apart from it, the bank also received the Best Performer Award for Micro-Finance activities in Tamil Nadu and Union Territory of Puducherry from National Bank for Agriculture and Rural Development (NABARD).

3.3 PROFILE OF THE STATE BANK OF INDIA

The State Bank of India, the country’s oldest Bank and a premier in terms of balance sheet size, number of branches, market capitalization and profits. State
Bank of India is today going through a momentous phase of Change and Transformation. The two hundred year old Public sector behemoth is today stirring out of its Public Sector legacy and moving with agility to give the Private and Foreign Banks a run for their money.

The bank is entering into many new businesses with strategic tie ups – Pension Funds, General Insurance, Custodial Services, Private Equity, Mobile Banking, Point of Sale Merchant Acquisition, Advisory Services and structured products, each one of these initiatives having a huge potential for growth.

The Bank is forging ahead with cutting edge technology and innovative new banking models, to expand its Rural Banking base, looking at the vast untapped potential in the hinterland and proposes to cover 100,000 villages in the next two years.

It is also focusing at the top end of the market, on wholesale banking capabilities to provide India’s growing mid/large Corporate with a complete array of products and services. It is consolidating its global treasury operations and entering into structured products and derivative instruments.

Today, the Bank is the largest provider of infrastructure debt and the largest arranger of external commercial borrowings in India. It is the only Indian bank to feature in the Fortune 500 list.

The Bank is changing outdated front and back end processes to modern customer friendly processes to improve the total customer experience. With about 8500 of its own 10000 branches and another 5100 branches of its Associate Banks already networked, today it offers the largest banking network to the Indian customer. The Bank is also in the process of providing complete payment
solution to its clientele with its over 21000 ATMs, and other electronic channels such as Internet banking, debit cards and mobile banking.

With four national level Apex Training Colleges and 54 learning Centres spread all over the country the Bank is continuously engaged in skill enhancement of its employees. Some of the training programmermes are attended by bankers from banks in other countries.

The bank is also looking at opportunities to grow in size in India as well as internationally. It presently has 82 foreign offices in 32 countries across the globe. It has also 7 subsidiaries in India – SBI Capital Markets, SBICAP Securities, SBI DFHI, SBI Factors, SBI Life and SBI Cards forming a formidable group in the Indian Banking scenario. It is in the process of raising capital for its growth and also consolidating its various holdings.

Throughout this change, the Bank is also attempting to change old mindsets, attitudes and take all employees together on this exciting road to transformation. In a recently concluded mass internal communication programmerme termed ‘Parivartan’ the Bank rolled out over 3300 two day workshops across the country and covered over 130,000 employees in a period of 100 days using about 400 trainers, to drive home the message of Change and inclusiveness.

The workshops fired the imagination of the employees with some other banks in India as well as other Public Sector Organizations seeking to emulate the programmerme. The CNN IBN, Network 18 recognized this momentous transformation journey, the State Bank of India is undertaking and has awarded the prestigious Indian of the Year – Business, to its Chairman, Mr. O. P. Bhatt in January 2008.
3.4 PROFILE OF LIFE INSURANCE CORPORATION OF INDIA

Life Insurance Corporation of India (LIC) is an Indian State-owned insurance group and investment company headquartered in Mumbai. It is the largest insurance company in India with an estimated asset value of ₹1560481.84 Crore (US$250 billion). As of 2013 it had total life fund of Rs.1433103.14 Crore with total value of policies sold of 367.82 lakh that year. The company was founded in 1956 when the Parliament of India passed the Life Insurance of India Act that nationalized the private insurance industry in India. Over 245 insurance companies and provident societies were merged to create the state owned Life Insurance Corporation.

From its creation, the Life Insurance Corporation of India, which commanded a monopoly of soliciting and selling life insurance in India, created huge surpluses, and by 2006 was contributing around 7 per cent of India's GDP. The Corporation, which started its business with around 300 offices, 5.7 million policies and a corpus of INR 45.9 crores (US$ 92 million as per the 1959 exchange rate of roughly ₹5 for US$1), had grown to 25,000 servicing around 350 million policies and a corpus of over ₹800000 Crore (US$130 billion) by the end of the 20th century.

In August 2000, the Indian Government embarked on a programme to liberalise the Insurance Sector and opened it up for the private sector. Ironically, LIC emerged as a beneficiary from this process with robust performance, albeit on a base substantially higher than the private sector. In 2013 the First Year Premium compound annual growth rate (CAGR) was 24.53 per cent while Total Life Premium CAGR was 19.28 per cent matching the growth of the life insurance industry and also outperforming general economic growth. LIC offers
a variety of insurance products to its customers such as insurance plans, pension
plans, unit-linked plans, special plans and group schemes.

Today, the LIC had 8 zonal offices, around 109 divisional offices, 2,048
branches and 992 satellite offices and corporate offices; it also has 54 customer
zones and 25 metro-area service hubs located in different cities and towns of
India. It also has a network of 1,337,064 individual agents, 242 Corporate Agents,
79 Referral Agents, 98 Brokers and 42 Banks for soliciting life insurance
business from the public. LIC’s slogan yogakshemam vahamyaha is
in Sanskrit language which translates in English as "Your welfare is our
responsibility". This is derived from ancient Hindu text, the Bhagavad Gita’s 9th
chapter, 22nd verse. The slogan can be seen in the logo, written in Devangaris
script. The Economic Times Brand Equity Survey 2012 rated LIC as the No. 6
Most Trusted Service Brand of India. From the year 2006, LIC has been
continuously winning the Readers' Digest Trusted brand award. As on 31 March
2012, LIC had 119,767 employees, out of which 24,295 were women (20 per
cent).

**TABLE 3.1**

**TOTAL WORKFORCE**

<table>
<thead>
<tr>
<th>Category of employees</th>
<th>Total Number</th>
<th>No. of Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class-I Officers</td>
<td>28,417</td>
<td>5,375</td>
</tr>
<tr>
<td>Development Officers</td>
<td>25,638</td>
<td>861</td>
</tr>
<tr>
<td>Class III/IV employees</td>
<td>65,712</td>
<td>18,059</td>
</tr>
<tr>
<td>Total</td>
<td>119,767</td>
<td>24,295</td>
</tr>
</tbody>
</table>

Source: LIC Annual Report
LIC had 12,78,234 agents as on 31 March 2012, out of which the number of active agents was 12,14,111 (95 per cent). LIC Golden Jubilee Foundation was established in 2006 as a charity organization. This entity has the aim of promoting education, alleviation of poverty, and providing better living conditions for the under privileged. Out of all the activities conducted by the organisation, Golden Jubilee Scholarship awards is the best known. Each year, this award is given to the meritorious students in standard XII of school education or equivalent, who wish to continue their studies and have a parental income less than ₹100000 (US$1,600).

3.5 STRESS MANAGEMENT AT WORK PLACE

The nature of work has gone through drastic changes over the last century and it is still changing at whirlwind speed. They have touched almost all professions, starting from an artist to a surgeon or a commercial pilot to a sales executive. Professional stress or job stress poses a threat to physical health. Work related stress in the life of organized workers, consequently, affects the health of organizations.

High stress levels also affected the morale and motivation of the employees. Prolonged exposure to stress without effective coping mechanisms could lead to a host of physical and mental problems. For instance, stress could lead to stress-induced gastrointestinal problems, irritable bowel syndrome, acidity, acid reflux, insomnia, depression, heart disease, etc.

Moreover, stress could push the victim toward high risk behaviour such as smoking, drinking, and substance abuse. Stress-related illness led to increase in absenteeism and attrition affecting the profitability of the organizations.

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Organizations cutting across industries were gearing up to provide employees with a stress-free healthy environment.

The efforts to address this issue were more pronounced in some industries than others. Experts felt that, though stress at the workplace is a global phenomenon, employees in some industries were more susceptible to stress than others.

Even in India, organizations had woken up to this menace and were resorting to novel methods including teaching the employees dancing and music, trekking, etc, to reduce stress at the workplace. For instance, Tata Consultancy Services Ltd. had started different clubs like Theatre Club, Bibliophile Club, Adventure and Trekking Club, Fitness Club, Sanctuary Club, Music Club and Community Services Club, etc. Infosys Technologies Ltd. focused on increasing self-awareness and provided the employees with guidance on how to cope with stress through a series of workshops by experts.

In addition to conducting stress management workshops, organizations were also conducting off-site picnics, games, and inter-departmental competitions. Some companies were also using a system of mentors and promoted open communication to improve interactions and camaraderie at the workplace. Employees in most of the established companies had access to in-house counselling centres. Some companies had also employed nutritionists to provide healthy food at the office canteens and counsel the employees on healthy eating habits and lifestyle. Some companies were also considering employing psychologists to counsel their employees.

Experts felt that organizations were resorting to creative methods to address the issue of stress at the workplace, but more action was required on this
front, both in terms of assessment of the situation and implementation of concrete steps to tackle the problem.

3.6 CAUSES OF OCCUPATIONAL STRESS IN SERVICE SECTOR

Occupational stress may be caused by a complex set of reasons. Some of the most visible causes of workplace stress in public sector banks can be grouped as (a) Individual level stressors and group level stressors and organizational stressors which are detailed in the following pages.

3.6.1 INDIVIDUAL LEVEL STRESSORS

These stressors relate directly to a person’s personality and job responsibilities. The most common bank employee’s individual level stressors depend on the type of personality, role overload, role conflict and role ambiguity.

3.5.1.1 Personality type

Personality characteristics such as authoritarianism, rigidity, masculinity, femininity, extraversion, supportiveness, spontaneity, emotionality, tolerance, locus of control, anxiety and need for achievements are particularly relevant to individual stress.

3.6.1.2 Role overload

Too much work causes stress to an employee. Excess workload has become the norm these days. Due to technology, more public sector banks have reduced their work-force and restructured work, leaving the remaining employees with more tasks and fewer resources of time to complete them.

3.6.1.3 Role conflict
Role conflict occurs where employees face competing demands. There are two types of role conflict in the banks. Inter-role conflict occurs when an employee has two roles that are in conflict with each other. Personal conflict occurs when personal values clash with organizational goals.

### 3.6.1.4 Role ambiguity

Role ambiguity exists when employees are uncertain about their responsibilities, functions, performance expectations and levels of authority. This tends to occur when one enters new situations, such as newly recruited employees or transferred employees joining the banks or taking new assignments, because they are uncertain about tasks and management and customers expectations.

### 3.6.1.5 Task characteristics

Task characteristics are also individual –level stressors. Tasks are more stressful when they involve decision making, monitoring equipment or exchange information with others. These can be chronic gynecological problems for women. Mental symptoms can be so severe that a stressed employee working long hours can almost be unmanageable.

The employees working long hours will be more vulnerable to stress of sleeping patterns, emotional problems and family commitments while juggling a varying work timetable, sometimes with little social support.

### 3.6.1.6 Economic problems

Economic problems created by individuals over extending their financial resources are another set of personal troubles that can create stress for employees and distract their attention from work.

### 3.6.2 GROUP LEVEL STRESSORS
Group level stressors are caused by group dynamics and managerial behaviour. Managers create stress for employees by

(i) Exhibiting inconsistent behaviour,
(ii) Failing to provide support,
(iii) Showing lack of concern,
(iv) Focusing on negatives while ignoring good performance,
(v) Sexual harassment is yet another group level stressor. Sexual harassment refers to unwelcome conduct of a sexual nature that affects the job related performance of an employee adversely.
(vi) Lack of group cohesiveness
(vii) Lack of management and customers support
(viii) Conflict with co-workers and customers

3.6.3 ORGANISATIONAL STRESSORS

There are many causes of stress within an organization including organizational structure, leadership style and quality, the demands of tasks and roles, balancing efficiency of services with high quality standards, the increasing “24/7” mentality, structural changes and changes in business processes, and the quality of communication throughout the organization. The major organizational stressor are;

3.6.3.1 Job Insecurity

Organized workplaces are going through metamorphic changes under intense economic transformations and consequent pressures. Reorganizations, takeovers, mergers, downsizing and other changes have become major stressors for employees, as public sector banks try to live up to the competition to survive. These reformations have put demand on everyone, from a chairman to a mere sub staff.

3.6.3.2 High Demand for Performance
Unrealistic expectations, especially in the time of corporate reorganizations, which, sometimes, puts unhealthy and unreasonable pressures on the employee can be a tremendous source of stress and suffering. Increased workload, extremely long working hours and intense pressure to perform at peak levels all the time for the same pay can actually leave an employee physically and emotionally drained. Excessive travel and too much time away from family also contribute to an employee’s stressors.

3.6.3.3 Technology

The expansion of technology for practicing e-banking in the public sector banks has resulted in heightened expectations for productivity, speed and efficiency, increasing pressure on the individual employee to constantly operate at peak performance levels. Employees working with computers for long hours are under constant stress. There is also the constant pressure to keep up with technological breakthroughs and improvisations, forcing employees to learn new software all the times.

3.6.3.4 Competition

The limited number of positions available for promotions some time causes employees to compete excessively for the positions. As organizations restructure and remove layers of management, especially middle management, there are fewer positions available for career advancements.

3.6.3.5 Lack of participation in decision making

Managers have traditionally not allowed subordinates to participate in decision making. Consequently, employees typically feel that they have little control of the work environment in their lives.

3.6.3.6 Empowerment
The empowerment of employees offers advantages to the banks and its employees. Some employees appreciate the greater responsibility and decision-making authority and empowerment. But employees who have no interest in empowerment and responsibility may experience greater level of stress. Some people find group work stressful and their work may suffer when they work in a team setting.

3.6.3.7 Conflict with other people

Organization, by their very nature, requires people to work with one another. The current trend is for employees to be assigned to work teams where they are more dependent on one another. The interaction with more people provides more opportunities for conflict between fellow employees. Some people like to work in teams, but there are others who feel that the interaction with others would inevitably result in conflicts.

3.6.3.8 Workplace Culture

Adjusting to the workplace culture can be intensely stressful. Making oneself adapt to the various aspects of workplace culture such as communication patterns, hierarchy, dress code, workspace and most importantly working and behavioural patterns of the branch managers as well as the co-workers can be a lesson in life. Maladjustment to workplace cultures may lead to subtle conflicts with colleagues or even with superiors. In many cases office politics or gossips can be major stress inducers.

3.6.3.9 Personal or Family Problems

Employees going through personal or family problems tend to carry their worries and anxieties to the workplace. When one is in a depressed mood, his
unfocused attention or lack of motivation affects his ability to carry out job responsibilities.

3.6.3.10 Job stress and Women

Women may suffer from mental and physical harassment at workplaces, apart from the common job stress. Sexual harassment in workplace has been a major source of worry for women, since long. Women may suffer from tremendous stress such as ‘hostile work environment harassment’, which is defined in legal terms as ‘offensive or intimidating behaviour in the workplace’. This can consist of unwelcome verbal or physical conduct. These can be a constant source of tension for women in job sectors. Also, subtle discriminations at workplaces, family pressure and societal demands add to these stress factors.

3.7 HUMAN RESOURCE MANAGEMENT SERVICE SECTOR

The key to success of any organization lies in how efficiently the organization manages its human resources. The principle applies equally and perhaps more aptly to service institutions like banks and insurance companies. The issue is all the more relevant to service industry which strive hard to keep pace with the technological changes and meet the challenges of globalization.

In order to meet the global standards and to remain competitive, banks and insurance companies have to recruit specialists in various fields and HRM, in keeping with the segmentation and product innovation. As a complementary measure, fast track merit and performance based promotion from within would have to be institutionalized to inject dynamism and youthfulness in the workforce.

To institutionalize talent management, the first priority for the banking industry would be to spot, recognize and nurture the talent from within. The
industry has to attract the best talent from the market to maintain the required competitive edge vis-a-vis global players. However, the issue of critical importance is how talent is to be integrated and sustained in the banks. Therefore, a proper system of talent management has to be put in place by all the banks.

As the entire Indian banking industry is witnessing a paradigm shift in systems, processes, strategies, it would warrant creation of new competencies and capabilities on an on-going basis for which an environment of continuous learning would have to be created so as to enhance knowledge and skills.

An equally important issue relevant to HRM is to create a conducive working environment in which the bankers can take commercial decisions judiciously and, at the same time, without fear. Another important ingredient of HR management is reward and compensation which at present do not have any linkage to skills and performance. A system of reward and compensation that attracts, recognizes and retains the talent and which commensurates with performance is an urgent need of the industry.

3.8 COPING STRATEGIES

A number of key initiatives have been taken by the banks insurance companies to reduce occupational stress and to motivate the employees to perform better so as to achieve the growth plans.

3.8.1 Industrial Relations

In order to reduce occupational stress, excellence in Industrial Relations is maintained with both the Officers’ and Staff Federations by maintaining healthy dialogue/discussions with them. Issues raised by the Federations were properly examined and adequately responded to. This will
help in the management of the banks and insurance companies to reduce occupational stress and motivate the employees to a great extent.

### 3.8.2 Personal Leave Programmes

Employers with strong work life values offer extended maternity, paternity, and personal leave to take care of the families of employees. The public sector banks and Life Insurance Corporation of India are one of the more generous companies, offering paid maternity leave, paternity leave, casual leave, half pay leave, privileged leave and medical leave to its employees for caring their families, which can reduce their family related stress to a considerable extent.

### 3.8.3 Supportive Organizational Climate

Many large organizations today tend to be highly formalized bureaucratic structures with accompanying inflexible, impersonal climates. Many of the organizational stressors emerge because of faulty organizational processes and practices. This can lead to considerable job stress. To a very great extent, these can be controlled by creating supportive organizational climate. Supportive organizational climate depends upon managerial leadership rather than the use of power and money to control organizational behaviour.

The focus is primarily on participation and involvement of employees in decision-making process. Such climate develops belongingness among people which helps them to reduce their stress.
Therefore, in order to reduce the employees stress the public sector banks and Life insurance Corporation of India have taken effort to increase participation and involvement of the employees in decision making process. In public sector banks and Life insurance Corporation of India most of the major decisions which affected by the employees’ welfare are taken by the management after consultation with the recognized trade unions for developing the belongingness among employees which helps them to reduce their stress.

3.8.4 Career Planning and Counselling

Career planning and counselling helps the employees to obtain professional advice regarding career paths that would help them to achieve personal goals. It also makes them aware of what additional qualification, training and skills they should acquire for career advancement. A variety of career counselling programmes are provided by the public sector banks and Life insurance Corporation of India to its workforce. They are;

1. Devices designed to aid the individuals in self-assessment and increased self-understanding;
2. Devices designed to communicate opportunities available to individuals;
3. Career counselling through interviews by managers, counselling employees and personnel and educational specialists;
4. Workshops and educational activities designed to assist the individuals in goal setting and establishing action plan for change;
5. Educational and experimental programmes to prepare individual with skills and knowledge for new activities and new career;
6. Programmes for enhancing the individuals' opportunities to make job and career changes. Various career planning and counselling
programmemes for individuals go a long way in providing them satisfaction and reducing the stress.

3.9 ORGANIZATIONAL COPING STRATEGIES

Organizational coping strategies are more of proactive nature, that is, they attempt at removing the existing or potential stressors and prevent the onset of stress of individual job holders. There are many organizational stressors, therefore, the organizational coping strategies revolve round those factors which produce or help producing stresses.

Following are organizational coping techniques and efforts taken by the public sector banks and Life insurance Corporation of India to remove existing or potential stressors and prevent the stress of employees.

3.9.1 Job Enrichment

A major source of stress is the monotonous and disinteresting jobs being performed by employees in the organization. Through more rational designing of jobs, jobs can be enriched. Improving content factors such as responsibility, recognition, opportunity for achievement and advancement, or improving core job characteristics such as skill variety, task identity, task significance, autonomy, and feedback may lead to motivation, feeling sense of responsibility and utilizing maximum capability at work. Such a phenomenon helps in reducing stress. Therefore, due care is given by the public sector banks while designing jobs.

The management of the banks and Life insurance Corporation of India has taken efforts to increase the responsibility and authority of employees pertaining to a particular job. Employees are recognized at the right time for their good things. More and more opportunities for achievement and advancement of
the employees are created. These help the employees of banks to reduce their stress.

### 3.9.2 Organizational Role Clarity

Employees experience stress when they are not clear about what they are expected to do in the organization. This may happen because either there is an ambiguity in the role or there is a role conflict. Such a situation can be overcome by defining their role more clearly. Role analysis technique helps both management and employees to analyze what the job entails and what the expectations are. Breaking down the job to its various components clarifies the role of the job incumbent for the entire system. This helps to eliminate imposing unrealistic expectations on the individual.

Therefore in order to avoid the role ambiguity, role conflict, and role overload the public sector banks and Life Insurance Corporation of India have clearly defined the organizational role of each employee from top to grass root level on the basis of Role analysis technique, which leads to reduction and prevention of stress among the employees in the organization.

To conclude, in the public sector banks and Life Insurance Corporation of India, all types of strategies for stress reduction both by the individual and the organization do not necessarily guarantee that employees will not experience stress. However, such strategies adopted by the management of the public sector banks and Life Insurance Corporation of India helps in minimizing their negative impact. The perception of the employees about human resource management practices in the selected study units is assessed and analyzed in the fourth chapter.