CHAPTER-I

INTRODUCTION

"Worry and stress affects the circulation, the heart, the glands, the whole nervous system, and profoundly affects heart action."

- Charles W. Mayo

Globalization and information technology have brought about a sea change in the functioning of the banking industry. The customer’s expectation and demands have also undergone radical changes due to the entry of private banks which have started offering a variety of value-added services with focus on doorstep delivery and that too round the clock. Banks are innovating new products, offering seven days a week of 24 hours’ banking daily, introducing new delivery channels and devising new ways and means to cut cost, to overcome delays and to offer services at competitive rates. They are becoming more and more professional in their approach by complying with international banking standards in the area of risk management, capital adequacy, asset quality and corporate governance. The merger, acquisition and business alliances have become the new mantra of survival and growth for banks. Intensive use of information technology is another consequence of this business process reengineering which has opened new delivery channels through ATM, Telebanking, E-banking etc., where a customer can do banking at his convenience, anytime, anywhere and that too without physically visiting the banks.

The pressure to cut cost and overcome delays in decision making has given way to structural changes as banks have started transforming themselves into a lean and thin organization by moving to three-tier structure from four-tier and right sizing manpower through voluntary retirement scheme and sabbatical leave scheme and taking measures for improving productivity by re-deploying and relocating manpower as per business needs from surplus-to-deficit pockets and from controlling offices to branches.
Ever since the introduction of deregulation of the banking sector in India in the early 90s, there has been a paradigm shift in the focus of banks from social objectives to sound business objectives. Accordingly, there has been an increased thrust on profitability and productivity of all banks, including the public sector banks. Competition in the industry became intense with the emergence of new generation private sector banks and also with the enhanced dynamism of the foreign banks.

The new generation banks and foreign banks, with their advanced technological base and highly skilled manpower, have been relatively at a competitive advantage over their two counterparts, viz., Public sector banks and old private sector banks. In order to withstand the competitive pressure and also to enhance productivity and customer service, banks have to invest heavily in technology and also go for highly skilled manpower or to train their existing staff suitably. In short, for the banking system as a whole, adoption of advanced technology has become an imperative to ensure better productivity and enhanced customer service. The highly competitive work environment in the banking sector demands updated skill and knowledge from the managers and other employees in the banks, which are essential to fulfill the ever-increasing aspirations of the high demanding customers. Coupled with this, the uncertainties and ambiguity associated with the finance sector around the globe multiplied the stress level of bank employees.

A sound theoretical base in banking operation as well as practical experience acquired from the job is now not sufficient for them to tackle the various work-related issues confronted by them. Moreover, banks are not able to provide adequate training and back up support to enhance their competency.

A bank branch manager is the person responsible for the operation, administration, marketing, training, lending and security of a local bank branch. At the end of the day, the manager must be able to lead his or her team of tellers, product specialists and other bank officers to provide superior service and profits within the branch. They bear the responsibility for the overall success or failure of the branch, as seen by the bank’s corporate officers in comparison to its other
branches and to branches of other banks. Being a bank branch manager is not the sort of position that one can just waltz into directly out of college. In most cases, it requires working one’s way up the ladder within a bank, working through the ranks to eventually ascend into the position.

The branch manager has many tasks that he or she is responsible for during the course of a day. They are responsible, of course, for all the other employees within that branch. This includes not just hiring new tellers and product specialists and lending officers, but also making sure they are adequately trained and prepared to deliver superior service once hired. This would include both initial hiring training as well as periodic training on new products or offerings rolled out by the bank across all regions.

The branch manager is responsible for passing on information from higher-ups to personnel within the branch, but is also responsible for anything reported upwards to other parts of the bank. This would include deposit information, sales and lending goals, service scoring and feedback, errors and discrepancies in deposit or account reconciliations, and success in marketing or selling various products. For all of these various metrics, the branch manager is graded and evaluated to determine the effectiveness of the branch. They provide a window to evaluate just how smoothly the branch operates underneath his or her management.

There used to be an old joke about working “bankers’ hours” in that they would be done by mid-afternoon and not work 40 hours a week. However, in the modern age, bank branches are open later during the day and on weekends to provide convenience for customers. As a result, it is quite possible that a bank manager works much more than 40 hours a week.

The branch manager must ensure that the branch is ready to open for the day, in terms of ensuring there is adequate cash for each of the tellers and automated teller machines. They must make sure that during the day, the branch is adequately staffed and meeting customers’ needs. They must make sure that the tellers and officers are performing their jobs optimally, while balancing out continued product training, absences, and the ebb and flow of customer traffic within the safe branch environment.
Lastly, they are responsible for the overall reconciliation and security of accounts touched during the day by the bank. All cash must be tallied to ensure that there are no discrepancies within the tellers’ rolls, with the cash forwarded to the bank’s vaults if necessary. All checks must be bundled and sent for processing within regional check processing centers or clearing houses, in order to debit the accounts on which they are drawn. When all records have been matched up, the manager must secure the facility to ensure account safety – both physical and electronic – while the branch is closed.

The above said transformation in the banking sector has affected the social, economic and psychological domains of bank employees and their relations. These changes might have been made a great impact on morale and motives of banking personnel and finally their level of job satisfaction. Based on psychology it is understood that the high morale leads to greater motivation and this motivation in turn to job satisfaction and highly satisfied employees perform better than dissatisfied employees. They have to cope with the enhanced work pressure, which leads to more of mental stress and physical strain. In the light of these grounds, it is imperative to study the work-related stress faced by bank employees, the stressors and their effect, and strategies to combat such stress.

Increasing competition worldwide has led the corporate world to face new challenges and made them realize that their own employees can provide them a sustainable competitive advantage. This realization has come up with an improved focus on management of human resources which have been considered as the driving force behind the survival and success of any organization. However, in this era of uncertainty, complexity and change, an important issue worth attention for such organizations has been the occupational stress which is increasingly becoming a critical problem for employees, employers and the society at large. Emanating from occupational stress, the stress induced due to roles performed by individuals as branch managers at workplace has been a critical organizational stressor (Kahn et al., 1964; Srivastava, 2007), the outcomes of which have been found to be costly to the organization (Fisher and Gitelson, 1983).
Occupational stress stem from a wider phenomenon ‘stress’ which is a psychological construct that people may experience everyday (Quick et al., 1997). It is a concept which is hard to avoid. The term stress has evolved over time and has long been recognized as an inevitable aspect of life. It has been used as a central concept under different names in early theoretical formulations.

There is no difference between the term occupational stresses, job stress, work related stress and work stress. All are carrying similar meaning that’s why the terms 'occupational stress', 'work stress', ‘job stress’ and ‘work-related stress’ are used interchangeably in the literature and across different jurisdictions. (Occupational Stress: Factors that Contribute to its Occurrence and Effective Management, 2000)

Occupational stress is one of the major health hazards of the modern workplace. It accounts for much of the physical illness, substance abuse, and family problems experienced by millions of blue and white-collar workers. Also, occupational stress and stressful working conditions have been linked to low productivity, absenteeism, and increased rates of accidents on and off the job.

Work is a central part of human life. It is the expression of the basic need to accomplish, to create, to feel satisfaction, and to feel meaningful. Rewarding work is an important and positive part of our lives. However, when work denies people an opportunity to utilize their creativity, intelligence, and decision-making ability, it causes stress.

Stress, it seems, is everywhere - across the language of our everyday lives, in scientific and social scientific inquiry and as an increasingly important focus within a diverse range of policy environments. It is a relatively new phenomenon, is hard to define and explain and is extraordinarily costly.

The continuous and frequently heated debates about how to define stress are a measure of how much it now permeates everyday language. In the course of a given day, each of us will hear or use the word in a variety of contexts. It is variously, a term of derision or one of abuse; it may be used to dismiss or critique colleagues or alternatively, to validate a ‘high-octane’ style of working. The term
attaches itself to feelings of pressure, anticipation or even dread; as in meeting deadlines or watching one’s football team participates in a penalty shootout. It is arguable that the term is now so ubiquitous that it has been entirely cut adrift from both professional discourse and real life experience.

However, the term retains a profoundly serious currency. It is used to describe genuine suffering, either as a result of daily pressures, or momentous events. In other words, there may well be something lurking in the woods that most of us will chance upon at some point in our lives. Real or imagined, misunderstood or misused, rare or widespread, the problem of stress cannot be ignored. Certainly, as this section demonstrates, stress continues to be a topic for critical research.

Organizations vary in their operational definitions of stress and this in turn produces the differing responses and contractual arrangements used to address it. Social scientific researchers are no more unified in their definitional approaches. Indeed, it would seem that the wider its usage, the more elusive its meaning. Pollock (1988) has argued that the term has now become ‘so vacuous that it represents an obstacle rather than an aid to research, and that further investigation of the relationships which the stress theory attempts to elucidate would get on better without it.’ There are, however, a number of working definitions which suggest the word still has some meaning.

DEFINITIONS OF STRESS

"People become attached to their burdens sometimes more than the burdens are attached to them."

- George Bernard Shaw

Modern definitions of stress share a number of essential ingredients. They all, to a greater or lesser extent, recognize that stress: is a personal experience is caused by pressure or demands impacts upon the individual’s ability to cope or, at least, his/her perception of that ability. ‘Stress arises when individuals perceive that they cannot adequately cope with the demands being made on them or with threats to their well-being’

- Lazarus, Psychological Stress and the Coping Process, 1966
‘Stress … can only be sensibly defined as a perceptual phenomenon arising from a comparison between the demand on the person and his or her ability to cope. An imbalance in this mechanism, when coping is important, gives rise to the experience of stress, and to the stress response’

- Cox, *Stress*, 1978

‘Stress results from an imbalance between demands and resources’


‘Stress is the psychological, physiological and behavioral response by an individual when they perceive a lack of equilibrium between the demands placed upon them and their ability to meet those demands, which, over a period of time, leads to ill health’

- Palmer, ‘Occupational Stress’, 1989

‘Stress occurs when perceived pressure exceeds your ability to cope’

- Cooper & Palmer, *Conquer Your Stress*, 2000

‘[Stress is] the reaction people have to excessive pressures or other types of demand placed upon them. It arises when they worry that they cannot cope’

- Raymond 2000, ‘Stress the Real millennium Bug’

‘Stress occurs where demands made on individuals do not match the resources available or meet the individual’s needs and motivation… stress will be the result if the workload is too large for the number of workers and time available. Equally, a boring or repetitive task which does not use the potential skills and experience of some individuals will cause them stress.’


‘That which arises when the pressures placed upon an individual exceed the perceived capacity of that individual to cope’

- *Confederation of British Industry*, (1999), ‘Stress the Real millennium Bug’

‘The emotional, cognitive, behavioural and physiological reaction to aversive, noxious aspects of work, work environments and work organisations. It is
a state characterised by high levels of arousal and distress and often by feelings of not coping.'


"If you're doing your best, you won't have any time to worry about failure."


OCCUPATIONAL STRESS

The Health and Safety Executive (HSE) 2013, defines stress as an ‘adverse reaction people have to excessive pressures or other types of demand placed on them’. Work-related stress is thus understood to occur when there is a mismatch between the demands of the job and the resources and capabilities of the individual worker to meet those demands. This definition emphasizes the relationship between individuals and their working environment, and helps to explain why a situation that one person regards as a stimulating challenge causes another to experience a damaging degree of stress.

The degree of stress an individual experiences is, to an extent, dependent upon his/her own appraisal of the demands of their work. Such a subjective appraisal will in turn be affected by a range of socio-economic factors, many of which may not be directly work-related. For example, gender, race and age all play a part as do geographic location, housing, health, number of children, family arrangements and community networks. In addition, more specific psychological factors must be considered, including past experiences and personality traits. Finally, stress levels seem to depend on what a person interprets as threatening or challenging and whether that individual believes him or herself able to cope with it. All of these social and psychological variables may profoundly affect individual experiences of stress, so much so that stress appears, ultimately, to be ‘in the eye of the beholder’. For this reason, it is arguable that subjective and self-reported evaluations of stress are just as valid as objective data such as statistics on accidents or absenteeism.
A recent report by the (National Association of Mental Health) 2007, confirms that the individual worker’s ‘personality and coping strategy’ can have direct, moderating or perceptual effects on stress outcomes. For example, an extroverted person might find a socially isolating job more stressful than an introverted person, who conversely, might find a job with greater levels of social interaction more difficult and stressful. Moreover, a worker’s past experience, individual characteristics and personal resources appear to influence how she or he interprets and manages the specific conditions and demands of the job.

The National Association of Mental Health (2007), report also draws an important distinction between stress and pressure. Pressure is defined as a subjective feeling of tension or arousal that is triggered by a potentially stressful situation. Because it stimulates mental alertness and motivation, pressure may have a positive impact on employee performance and satisfaction.

However, when this pressure becomes extreme, persistent and unrelieved, it may lead to irritability, fear, frustration, aggression and stress, and may even contribute to a variety of short or long term physical and mental illnesses. When pressure exceeds an individual’s ability to cope, the result is stress.

"Real difficulties can be overcome; it is only the imaginary ones that are unconquerable." - Theodore N. Vail

Although the experience of stress is subjective, and is mediated by the personal evaluation of a situation by the individual, there are nevertheless a number of substantive factors that can be identified as potential causes of work-related stress. These, of course, will vary in degree and importance depending on the particular job, but the HSE (1995), has identified six categories of potential stressors:

- **Demands:** This includes factors intrinsic to the job such as working conditions (for example noise, temperature, lighting or ventilation), shift work, long or unsociable hours, workload.

- **Control:** How much say and autonomy a person has over the way in which he carries out his job; low levels of job control are typically linked to high levels of stress.
• **Relationships:** Relationships with superiors, subordinates and colleagues can all play a part in an individual’s stress levels; low levels of trust and support are likely to increase stress. Also, conflict, harassment and bullying in the workplace are all linked to heightened stress.

• **Change:** The way in which change is introduced, managed and communicated to staff can impact on levels of stress, as unnecessary or badly planned change results in excess pressure on workers.

• **Role:** Stress may be triggered when an individual does not have a clear understanding of his role within the organization, when there is conflict between roles or ambiguity with regards to position and degree of responsibility over others.

• **Support:** The amount of support and job training available, as well as encouragement, sponsorship and resources provided by colleagues and management.

Another potential risk factor not included in the six HSE categories of stressors is the interface between work and home, often referred to as the work-life balance (2002). Individuals who work long, uncertain or unsocial hours may find it difficult to juggle the competing demands of work and domestic pressures, particularly if they have children or other dependants. This can lead to a ‘vicious cycle’ in which mounting stress in one area of life spills over and makes coping with the other yet more difficult. Utilizing these potential stress risk factors, Palmer et al have developed a model of work-related stress that has helped to inform the HSE’s current approach to stress management and prevention, and is indicated by the figure below.

It should be noted that in this model a further, seventh driver of stress is identified – culture – which is not identified as an explicit stressor by the HSE but which Palmer et al (1989), describe as ‘the culture of the organisation and how it approaches and manages work-related stress when it arises’. Utilizing these potential stress risk factors, Palmer et al have developed a model of work-related stress figure 1.1 that has helped to inform the HSE’s current approach to stress management and prevention, and is indicated by the figure below.
The word "stress" is in such popular use today that it has come to mean different things to different people. It is said that competition is too much "stress" to hassle with, that one works in a "high stress" environment, or that technology "stresses us out". In these contexts, its Level of Resistance Duration of Exposure to the Stressor can be seen that the word "stress" has evolved to refer to both the source of some event and the reaction to it. Stress is often defined as a threat, real or imagined to homeostasis. In common usage, stress usually refers to an event or succession of events that cause a response, often in the form of ‘distress’ but also, in some cases, referring to challenge that leads to a feeling of exhilaration as in ‘good’ stress. Selye (1936 and 1956) defines stress as a dynamic condition in which an individual is confronted with an opportunity, constraint, or demand related to what he or she desires and for which the outcome is perceived to be both uncertain and important. Surveying definitions of stress, Cox (1978) has described three classes of definitions. Accordingly, stress can be variously thought of as a response i.e., the stress response to an extreme stimulus; as a stimulus, i.e. as the stressor itself; and as an intervening variable. A prime example of response definitions is the one given by Selye (1956), (i.e. A nonspecific response of the body to any demand). Characteristically, such response definitions lack the emotional component usually associated with stress. This emotional component is also lacking in stimulus definitions wherein stress is referred to as the condition causing the body to re-adapt. In contrast to the response and stimulus definitions, definitions in which stress is referred to as intervening variable come closest to the everyday meaning of the term.

Numerous studies show that job stress is far and away the major source of stress for American adults and that it has escalated progressively over the past few decades. Increased levels of occupational stress as assessed by the perception of having little control but lots of demands have been demonstrated to be associated with increased rates of heart attack, hypertension and other disorders. The American institute of stress (2012) conducted a study in New York, Los-anges and other municipalities, the relationship between occupational stress and heart attacks is so well acknowledged, that any police officer who suffers a coronary event on or off the job is assumed to have a work related injury and is compensated
accordingly (including heart attack sustained while fishing on vacation or gambling in Las Vegas).

It is not the job but the person-environment fit that matters. Some individuals thrive in the time urgent pressure cooker of life in the fast lane, having to perform several duties at the same time and a list of things to do that would overwhelm most of us - provided they perceive that they are in control. They would be severely stressed by dull, dead end assembly line work enjoyed by others who shun responsibility and simply want to perform a task that is well within their capabilities. Stress levels can vary widely even in identical situations for different reasons.

Stress is a highly personalized phenomenon and can vary widely even in identical situations for different reasons. One survey showed that having to complete paper work was more stressful for many police officers than the dangers associated with pursuing criminals. The severity of job stress depends on the magnitude of the demands that are being made and the individual’s sense of control or decision-making latitude he or she has in dealing with them. Scientific studies based on this model confirm that workers who perceive they are subjected to high demands but have little control is at increased risk for cardiovascular disease.

**Figure 1.1: Model of work-related stress**

**Potential Hazards**
- Culture
- Demands
- Control
- Role
- Change
- Relationships
- Support

**Symptoms of Stress**
- **Individual symptoms**
  - Raised blood pressure
  - Sleep & gastrointestinal disturbances
  - Increased alcohol and/or caffeine and/or nicotine intake
  - Increased irritability & negative emotions
  - Back pains: tension
  - Palpitations: headaches
- **Organizational symptoms**
  - Increased sickness absence
  - Long hours culture
  - Increased staff turnover
  - Reduced staff performance
  - Reduced staff morale and loyalty
  - Increased hostility

**Negative**
- Coronary heart Disease
- RSI
- Clinical anxiety and depression
- Burnout
- Increased Overheads: eg recruiting, training
- Reduced profits
- Increased accidents
- Increased litigation

**Source:** Palmer & Cooper 2001
MODELS AND THEORIES OF OCCUPATIONAL STRESS

French, Caplan and Kahn’s Person – Environment Fit (PE-Fit) theory

French, Caplan, Kahn and their colleagues (French and Caplan, 1972; French et al., 1982; French and Kahn, 1962; Kahn et al., 1964) subsequently incorporated Lewin’s concepts of stress and strain in their Person – Environment Fit (PE-Fit) theory, which is widely accepted as a major conceptual framework for research on occupational stress (Chemers et al., 1985; Edwards and Cooper, 1990). In the context of this theoretical orientation, occupational stress is defined in terms of job characteristics that pose a threat to the individual resulting from a poor match between the abilities of the employee and the demands of the job (French and Caplan, 1972). The workplace stress that occurs as a result of incompatible person– environment fit produces psychological strain that may contribute to stress-related physical disorders (French et al., 1982).

Stress at Work Model

Cooper and Marshall’s (1976; Marshall and Cooper, 1979) Stress at Work model is similar to PE-Fit theory, but is more specific in identifying five major categories of job pressure and lack of organisational support in the workplace that contribute to occupational stress: (1) pressures intrinsic to the job; (2) the employee’s role in the organisation; (3) interpersonal relationships at work; (4) limitations in career development; and (5) organisational structure and climate.

Karasek’s Demand–Control Model

Karasek’s (1979) Demand–Control model focuses on interactions between the objective demands of the work environment and the decision latitude of employees in meeting these demands (Karasek and Theorell, 1990). According to this model, ‘the greatest risk to physical and mental health from stress occurs to workers facing high psychological workload demands or pressures combined with low control or decision latitude in meeting those demands’ (Schnall, 1998, p. 1). The combination of high job demands with relatively little control contributes to lowered productivity and a greater risk of health-related problems (Theorell and Karasek, 1996). The Demand–Control model also recognizes the beneficial effects
of social support from supervisors and co-workers (Karasek et al., 1982; Schnall, 1998).

*Lazarus’ Transactional Process Model*

Lazarus’ (1966) Transactional Process model of psychological stress and coping conceptualizes stress as a process that involves a complex transaction between a person and her/his environment (Lazarus and Folkman, 1984). In applying this model to occupational stress, Lazarus (1991) emphasizes the distinction between sources of stress (‘stressors’) in the workplace and the emotional reactions that are evoked when a particular stressor is cognitively appraised as threatening. Three types of appraisal mediate the effects of stressors on emotional reactions. Primary appraisal occurs when a stressor is evaluated in terms of its immediate impact on a person’s well-being. Secondary appraisal takes into account the resources of the employee for coping with the stressor. The third type, reappraisal, incorporates new information resulting from the worker’s appraisal of the effectiveness of her/his efforts to cope with a particular stressor.

*National Institute for Occupational Safety and Health (NIOSH) Model*

National Institute for Occupational Safety and Health (NIOSH) defines job stress in terms of ‘the harmful physical and emotional responses that occur when the requirements of the job do not match the capabilities, resources, or needs of the worker’(NIOSH, 2002). This definition of job stress, as well as the resulting model developed by NIOSH, was primarily influenced by PE-Fit theory. The NIOSH model explicitly recognizes that exposure to stressful working conditions plays a primary role in causing job stress and influencing worker safety and health, while ‘individual and other situational factors can intervene to strengthen or weaken this influence’ (ibid., p. 6). However, the NIOSH model gives little attention to the significant influence of the employee’s cognitive appraisal of sources of stress in the workplace.

*Spielberger’s State–Trait Process (STP) Model*

Spielberger’s State–Trait Process (STP) model of occupational stress focuses on the perceived severity and frequency of occurrence of two major
categories of stressor events, job pressures and lack of support (Spielberger et al., 2002). The STP model builds on the PE-Fit and Transactional Process models by endeavoring to integrate these models with the conception of anxiety, anger and depression as emotional states and personality traits (Spielberger, 1972; Spielberger et al., 1983; Spielberger et al., 1988). The STP model gives greater emphasis than other models to the effects of individual differences in personality traits in determining how workplace stressors are perceived and appraised.

Although a lot of studies have been conducted on the psychosocial aspect of the new policy regime in many sectors, there are only few studies, as far as the banking sector is concerned, while the same sector has been drastically influenced by the new policies. In this juncture, the present study is undertaken to throw light in to the pathogenesis of specific problems of bank employees related to occupational stress.

STRESS AND ILL-HEALTH

Work-related stress is widely held to be linked to a variety of physical and mental disorders, either by directly contributing to ill-health, or by increasing the tendency for those affected by stress to engage in behaviours that lead to illness and disease. It can be difficult to prove a direct causal link between work-related stress and physical and mental ill-health, as the majority of diseases and syndromes commonly attributed to stress have multiple causes; that is, they are caused by the interaction of a wide variety of factors. Therefore, work-related stress may be one of many components in a causal pattern of morbidity, and its role will vary; sometimes its contribution is insignificant, sometimes it can have an impact in ‘tipping the balance’, thus triggering the symptoms of a disease or accelerating its course. The effects of work-related stress on ill-health operate in a number of ways:

- **Physiologically**: nervousness, endocrinal or immunological reactions within the body can lead to symptoms of physical and mental illness.
- **Cognitively**: working conditions and situations are interpreted by the individual as ‘stressful’ and therefore pathogenic.
• **Emotionally:** seemingly trivial incidents are experienced as debilitating, dangerous, or even life-threatening.

• **Behaviourally:** excessive work strain encourages potentially damaging behaviours, such as smoking, alcoholism, eating disorders, or self-harm.

   “Performance increases with physiological or mental arousal, but only up to a point. When levels of arousal become too high, performance decreases”.

   -- Yerkes-Dodson

The Inverted-U model (also known as the Yerkes-Dodson Law) figure 1.2 was created by psychologists Robert Yerkes and John Dodson as long ago as 1908. Despite its age, it's a model that has stood the test of time. It shows the relationship between pressure (or arousal) and performance. According to the model, peak performance is achieved when people experience a moderate level of pressure. Where they experience too much or too little pressure, their performance declines, sometimes severely.

**FIGURE 1.2**

**THE INVERTED-U MODEL**
WHAT IS NOT OCCUPATIONAL STRESS?

Occupational stress is not a disease. Workers’ responses to stressors may be positive or negative depending upon the type of demands placed on them, the amount of control they have over the situation, the amount of support they receive and the individual response of the person. In most of the cases people adjust to stressors and are able to continue to perform their normal work duties.

Job stress has become a common and costly problem in the American workplace, leaving few workers untouched. For example, studies report the following:

- One-fourth of employees view their jobs as the number one stressor in their lives. - Northwestern National Life (1991)
- Three-fourths of employees believe the worker has more on-the-job stress than a generation ago. - Princeton Survey Research Associates (1997)
- Problems at work are more strongly associated with health complaints than are any other life stressor—more so than even financial problems or family problems. - St. Paul Fire and Marine Insurance Co. (1992)

Fortunately, research on job stress has greatly expanded in recent years. But in spite of this attention, confusion remains about the causes, effects, and prevention of job stress. Figure 1.3 presents The National Institute for Occupational Safety and Health (NIOSH) model of occupational stress.

FIGURE 1.3

NIOSH model of occupational stress.
SOURCES OF OCCUPATIONAL STRESS

Stress is ubiquitous and it exists in every sphere of life. It is an inevitable part of life and it cannot be avoided but can certainly be controlled. It is, therefore, important to confront and examine the stressors so that they can be controlled. The sources of stress in today’s era are many and varied. Identification of such stressors is an important step towards finding ways to reduce the adverse impact of stress.

Pestonjee (1987) classifies ‘life stresses into primary and secondary system where the primary system consists of family, religious, regional and linguistic groups and the secondary system includes neighborhood, schools, colleges, technical institutes and work organizations. Both the systems have different functional requirements and role expectations due to which demands made on individual in one system may impact his/her performance in the other. However, both are interrelated and intertwined creating a complex network of stressors. Therefore, stress is experienced in almost all spheres of life but work related stress is increasingly becoming a major contributor to overall stress for an individual (Carr, 1994).

Competition in the workplace which frequently promotes self interest can result in diminished feelings of well being and trust. Intense competition reinforced by globalization has resulted into less sheltered employment opportunities exemplified by the ever increasing number of mergers, acquisitions, outsourcing, downsizing initiatives. Not only individuals, but organizations as artificial human beings are also under pressure to outperform their competitors and attain competitive advantage. Globalization and subsequent quest on the part of the organizations to cut costs to remain profitable has increased the cases of restructuring and downsizing.

Sharma and Sharma (2008) also opined that the main causes of stress were psychologically demanding work, stressful relationships and excessive working hours.

In the 2000 European Working Conditions Survey (EWCS), the second most common job-related health problem across the European Union (EU) member states has been found to be job stress (Blanc et al., 2008). Terming the stress as ‘The Black Plague?’ of the 1990s, Chirayath (2006) also reported that “the average
employee spends one and a half years of the working life absent from work through stress related illness.

Almost 10 per cent of the workforce suffers from work related stress at a point of time. Approximately seven billion working days are lost each year due to work force stress”. CBI Report, 1993 (quoted from Chirayath, 2006) also corroborated that 80 million working days are lost each year due to mental illness. A total of 30 times as many working days are lost as a result of stress related illness as are lost from industrial disputes. Between 30 to 40 per cent of all cases of sickness and absence from work are attributable to mental and emotional disturbance.

Health and Safety Executive statistics show that, for 2012-13, self-reported work stress, depression or anxiety account for an estimated 19.4 million reported lost working days per year in Britain (Health & Safety Statistics, 2012-13). Also, Blaug et al. (2007) indicated that, “After muscle skeletal disorders, stress is by far the largest contributor to the overall number of days lost as a result of work-related ill health in the UK. Stress is, on average, the costliest of all work-related illnesses in terms of days lost per case”.

Cooper (1985) summarized and categorized six factors responsible for stress 1. Factors intrinsic to the job (heat, noise, chemical fumes, shift work); 2. Relationships at work (conflict with co-workers or supervisors, lack of social support); 3. Role in the organisation (for example, role ambiguity); 4. Career development (lack of status, lack of prospects for promotion, lack of a career path, job insecurity); 5. Organisational structure and climate (lack of autonomy, lack of opportunity to participate in decision making, lack of control over the pace of work); 6. Home and work interface (conflict between domestic and work roles; lack of spousal support for remaining in the workforce).

Sources of managerial stress have been well documented since the late 1970s. Ivancevich and Matteson (1980) identified four categories of work stressors: physical environment, individual level (a mixer of role and career development variables), group level (primarily relationship-based) and organisational level (a mixture of climate, structure, job design and task characteristic). Schuler (1982) also identifies seven categories of work stressors in organisations: Job Qualities, Relationships,
Organisational Structure, Physical Qualities, Career Development, Change and Role in
the organisation. Quick and Quick (1984) proposed four categories of stressors: task
demands, physical demands, role demands and interpersonal demands.

Job conditions that may lead to stress:

- **The design of Tasks.** Heavy workload, infrequent rest breaks, long works
  hours and shift work; hectic and routine tasks that have little inherent
  meaning, do not utilize workers' skills, and provide little sense of control.

- **Management Style:** Lack of participation by workers in decision- making,
  poor communication in the organization, lack of family-friendly policies.

- **Interpersonal Relationships:** Poor social environment and lack of support
  or help from co- workers and supervisors.

- **Work Roles:** Conflicting or uncertain job expectations, too much
  responsibility, and too many "hats to wear."

- **Career Concerns:** Job insecurity and lack of opportunity for growth,
  advancement, or promotion; rapid changes for which workers are unprepared.

- **Environmental Conditions:** Unpleasant or dangerous physical conditions
  such as crowding, noise, air pollution, or ergonomic problems.

**PHYSICAL ILL-HEALTH**

The immediate effect of stress on the body is to trigger a natural biological
response to challenging or threatening events— frequently referred to as the ‘fight
or flight’ response. When the individual encounters a potential stressor, blood flow
is redirected from the skin and internal organs to the muscles and the brain;
glucose and fatty acids are mobilised into the bloodstream to provide energy;
vision and hearing are sharpened and alertness is increased. The functioning of
routine bodily maintenance such as digestion, restorative processes and the
immune system are all reduced. Although this stress response is a normal,
evolutionary reaction to a perceived threat, when it occurs frequently or is
prolonged, intense or poorly managed, it can pose a risk to health.
The suppression of the immune system under chronic stress leads to the ‘general adaptation syndrome’ which results in a generalised risk of greater susceptibility to illness and disease. Depending on the vulnerabilities of the individual in question, it may also contribute to a range of medical, psychological and behavioural disorders, all of which are detrimental not only to physical and mental well-being, but also to job performance, productivity, absence levels and staff turnover.

**Early Warning Signs of Job Stress:**

- Headache
- Sleep disturbances
- Difficulty in concentrating
- Short temper
- Upset stomach
- Job dissatisfaction
- Low morale

Although work-related stress alone probably does not cause cancer, it is known to contribute to a number of stress-related behaviors that secondarily increase the risk of developing cancer. In particular, these include: smoking, excessive alcohol consumption, overeating or consuming too much fatty food.

When stressful situations are not resolved and persist for some time, the body is kept in a constant state of alertness and defensive action, increasing wear and tear on biological systems, resulting in damage and exhaustion. During the ‘fight or flight’ response, the immune system is weakened, increasing vulnerability to illness and compromising the body’s ability to repair itself and defend itself against disease. Short term symptoms include headaches, muscular tension, chest pains, indigestion, palpitations, disturbed sleep and increased susceptibility to respiratory infections. Long term illnesses attributable to work-related stress include heart disease, hypertension, ulcers, irritable bowel syndrome, high cholesterol and increased risk of cancer, diabetes and asthma. Figure 1.4 depicts the impact of workplace demands on physiological and psychological performance.
Mental Ill-Health

There is a strong relationship between work-related stress and mental ill-health – excessive and persistent stress can trigger and escalate mental illness. Psychological problems that are frequently brought on by work-related stress include: fatigue, low self-esteem, irritability, depressive and acute anxiety disorders and post traumatic stress disorder.

MIND (2005) states that perceived job stress is essential to understanding and explaining the worker’s mental health, in other words, explanations do not reside solely in the existence of objective work stressors such as shift work or long
working hours. This is not to say that the stressed worker is responsible for his own. The research undertaken by MIND suggests that certain perceptions of job stress are more likely than others to lead to psychological problems such as anxiety or depression. These aspects include: a perception of a ‘poor relationship with a superior’ or a perception of ‘too much trouble at work’. There also appears to be a heightened risk of employees suffering from a psychiatric disorder when they have little say or control over how their work is done; when their work is fast paced; has conflicting priorities or when they feel there is a lack of recognition, understanding and support from Managers.

Peggy A. Thoits (2010) states those Forty decades of sociological stress research offer five major findings. First, when stressors (negative events, chronic strains, and traumas) are measured comprehensively, their damaging impacts on physical and mental health are substantial. Second, differential exposure to stressful experiences is a primary way that gender, racial-ethnic, marital status, and social class inequalities in physical and mental health are produced. Third, minority group members are additionally harmed by discrimination stress. Fourth, stressors proliferate over the life course and across generations, widening health gaps between advantaged and disadvantaged group members. Fifth, the impacts of stressors on health and well-being are reduced when persons have high levels of mastery, self-esteem, and/or social support.

Stress may lead to several different outcomes within a wide range of emotional or psychological states (Lazarus et al., 1985). Mental ill health can be looked upon as one of many possible consequences. In the acculturation literature it has become a common practice to make a distinction between psychological and socio-cultural adaptation. Psychological adaptation concerns, according to Ward and colleagues, adaptive outcomes within the affective/ emotional domain, while socio-cultural adaptation refers to outcomes of a behavioral nature (Searle & Ward, 1990; Ward, 1996; Ward & Kennedy, 1993). Stress concerns psychological adaptation while socio-cultural adaptation as an outcome relates to the learning paradigm. However, sociocultural adaptation is empirically connected to psychological adaptation as the former is a kind of resource that may enable immigrants to cope with stress (Berry et al., 2002, p. 370).
## TABLE 1.1

**EFFECTS OF STRESS ON BODILY FUNCTIONS**

<table>
<thead>
<tr>
<th></th>
<th>Normal (relaxed)</th>
<th>Under pressure</th>
<th>Acute pressure</th>
<th>Chronic pressure (stress)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brain</strong></td>
<td>Blood supply Normal</td>
<td>Blood supply Increased</td>
<td>Thinks more clearly</td>
<td>Headaches or migraines, tremors and nervous tics</td>
</tr>
<tr>
<td><strong>Mood</strong></td>
<td>Happy</td>
<td>Serious</td>
<td>Increased concentration</td>
<td>Anxiety, loss of sense of humour</td>
</tr>
<tr>
<td><strong>Saliva</strong></td>
<td>Normal</td>
<td>Reduced</td>
<td>Reduced</td>
<td>Dry mouth, lump in throat</td>
</tr>
<tr>
<td><strong>Muscles</strong></td>
<td>Blood supply Normal</td>
<td>Blood supply Increased</td>
<td>Improved performance</td>
<td>Muscular tension and pain</td>
</tr>
<tr>
<td><strong>Heart</strong></td>
<td>Normal rate and blood pressure</td>
<td>Increased rate and blood pressure</td>
<td>Improved performance</td>
<td>Hypertension and chest pains</td>
</tr>
<tr>
<td><strong>Lungs</strong></td>
<td>Normal respiration rate</td>
<td>Increased respiration rate</td>
<td>Improved performance</td>
<td>Coughs and asthma</td>
</tr>
<tr>
<td><strong>Stomach</strong></td>
<td>Normal blood supply and acid</td>
<td>Reduced blood supply and</td>
<td>Reduced blood supply reduces</td>
<td>Ulcers due to heartburn and indigestion</td>
</tr>
<tr>
<td></td>
<td>secretion</td>
<td>increased acid secretion</td>
<td>digestion</td>
<td></td>
</tr>
<tr>
<td><strong>Bowels</strong></td>
<td>Normal blood supply and bowel</td>
<td>Reduced blood supply and</td>
<td>Reduced blood supply reduces</td>
<td>Abdominal pain and diarrhoea</td>
</tr>
<tr>
<td></td>
<td>activity</td>
<td>increased bowel activity</td>
<td>digestion</td>
<td></td>
</tr>
<tr>
<td><strong>Bladder</strong></td>
<td>Normal</td>
<td>Frequent urination</td>
<td>Frequent urination due to</td>
<td>Frequent urination, prostatic symptoms</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>increased nervous stimulation</td>
<td></td>
</tr>
<tr>
<td><strong>Sexual organs</strong></td>
<td>Male: Normal Female: Normal periods etc.</td>
<td>Male: Impotence (decreased blood supply) Female: Irregular Periods</td>
<td>Decreased blood Supply</td>
<td>Male: Impotence Female: Menstrual disorders</td>
</tr>
<tr>
<td><strong>Skin</strong></td>
<td>Healthy</td>
<td>Decreased blood supply, dry skin</td>
<td>Decreased blood Supply</td>
<td>Dryness and rashes</td>
</tr>
<tr>
<td><strong>Biochemistry</strong></td>
<td>Normal – oxygen consumed, glucose and fats liberated</td>
<td>Oxygen consumption increased, glucose and fat consumption increased</td>
<td>More energy immediately available</td>
<td>Rapid tiredness</td>
</tr>
</tbody>
</table>

*Source: Melhuish, Executive Health*
The effects of psychiatric disorders brought about by work-related stress are significant, both for the individual concerned and for the employer. Anxiety, depression and other emotional problems commonly lead to sickness absence, medical consultations and treatment and high levels of suffering and dysfunction. In popular usage, stress is used to describe individual responses to innumerable everyday pressures, as well as to larger life events. In addition, stress is frequently seen as an important factor in the development of a range of psychological and physical ailments. At the workplace, the term is now widely deployed by both management and workforce to describe individual and collective experiences of fatigue, distress and an inability to cope with the demands of work.

Occupational stress has been studied among the managers who are the leaders in growth and development to a company and organization. The managers take full responsibility and accountability for performance of their subordinates, conducts interviews, training sessions, plans compensation packages, evaluation systems, sales quotas, sales territories, motivates employees and the like. In the process they endure severe stress which may emanate from multiple causes like stiff competition, globalization, pressure of meeting deadlines at work, downsizing, increased price level, increase in tax pays, changing government policies etc. Moreover, financial inclusion is a major challenge facing banks, particularly for those in the public sector. Fraud is another major issue banks face; Connected with this is the looming HR issues banks face, asset-liability management, the target for priority sector lending and Implementation of Basel-III norms. Therefore, all scheduled commercial public sector banks have been selected to identify different factors leading to stress building among branch managers.

**INDIAN BANKING INDUSTRY – AN ANALYSIS**

The banking industry is a systemically important industry for the Indian economy in general and financial sector in particular as it comprises nearly 90% of the total financial services sector of the country. The banking industry in India has undergone significant transformation since the initiation of the financial sector reforms that were part of the structural reforms of early 1990s. The banking sector has steadily evolved from a state-directed banking system into a fairly open
competitive banking system. Banking in India has become service oriented, maturing from the days of ‘walking in business’ to the present situation of 24 hour banking solutions to attract customers. Disintermediation in the business has led banks to be extremely prudent in terms of their internal operations and has led to the adoption of newer products and delivery channels.

The balance sheet size of the Scheduled Commercial Banks (SCBs) has experienced robust growth in the past few years. The consolidated balance sheet size of SCBs has increased fivefold from Rs. 11103.68 bn as at end-March 31, 2000, to Rs. 52,413.30 bn as at end-March 2013. The reform measures have not only increased the productivity and soundness of the banking sector but also resulted in an improvement in the profitability of banks. The Return on Assets (RoA) of SCBs has increased from 0.39% in FY92 to 1.46% in FY13, indicating enhanced efficiency of banks in their assets deployment.

Further, sustained efforts have been made to adopt international best practices in areas such as prudential norms, risk management, supervision, transparency and disclosures, etc. in a gradual manner and as pertinent to the Indian conditions. The statutory pre-emption of bank’s resources, which were over 50%, was gradually brought down to 30% and new income recognition and capital adequacy norms were introduced to bring Indian banks on par with international standards in terms of operational efficiency. Ceiling on lending rates which was creating a situation of minimal competition was removed in 1988. Further, the deposit rates were deregulated in 1994 and new guidelines for the inclusion of private banks was introduced to increase competitiveness amongst banks. Further, the foreign investment limit in private banks was raised from 49% to 74% in 2004; nonetheless, concerns regarding concentration in ownership have resulted in greater emphasis being laid on diversified ownership. The scope of liberalization widened further and the guidelines for the inclusion of foreign banks in the Indian Banking scenario were introduced in 2004.

**IMPACT OF THE GLOBAL FINANCIAL CRISIS ON INDIAN BANKING**

The progress that has been accomplished in the field of strengthening the regulatory and supervisory norms over the years has ensured greater
accountability and market discipline in the banking industry. The emphasis on deregulation and liberalization coupled with prudent regulatory framework has made the banking sector resilient and competent enough to face emerging global challenges. While the turbulence in the global financial sector impacted the Indian financial markets especially the equity and forex markets, the banking industry largely remained resilient to the aftermath of the global financial turmoil. Nonetheless, the balance sheets of some SCBs shrank and their financial performance witnessed some moderation pointing to the fact that the Indian banking system did not remain completely insulated from the effects of the slowdown of the Indian economy consequent to the global financial turmoil. As the financial crisis intensified leading to a credit crunch in latter part of Q2 FY13, the alternative funding options for the corporates began to dry up. This coupled with increase in credit demand by oil companies led to a robust growth in bank credit of around 34.2% (y-o-y) as on October, 2012 as compared to 26.7% growth during the corresponding period of the last fiscal. In the subsequent period, however, the credit demand witnessed moderation on account of slowing economic growth in general and the rapid decline in industrial sector in particular. Moreover, the lowering commodity prices coupled with inventory drawdown by companies resulted in decline in the working capital requirement, thereby leading to slowdown in credit demand. Further, with increased reports of investment slowdown in some core sectors, concerns of rising NPAs, which made banks restrict disbursements and impose more stringent lending norms, bank credit growth moderated to 22% as at end-March 2013.

The growth in bank deposit also moderated in the latter part of FY13 as the ripple effects of global financial crisis affected the growth momentum of the Indian economy. The growth in aggregate deposits of SCBs moderated to 24.42% y-o-y as at end-March 2013 as compared to a growth of 23.10% as at end-March 2008. With the surge in government market borrowing programme the proportion of SLR investment in NDTL also witnessed significant increase. The SLR investments in relation to NDTL increased to 33.6% as on October, 2013 as compared to 28.1% as at end-March 2009. The Off Balance Sheet liabilities of banks, however, have witnessed substantial moderation during FY09 after
growing exponentially in the past few years. In fact, the Off Balance Sheet exposures of SCBs declined by 28.69% during FY13.

**EVOLUTION OF THE INDIAN BANKING INDUSTRY**

The Indian banking industry has its foundations in the 18th century, and has had a varied evolutionary experience since then. The initial banks in India were primarily traders’ banks engaged only in financing activities. Banking industry in the pre-independence era developed with the Presidency Banks, which were transformed into the Imperial Bank of India and subsequently into the State Bank of India. The initial days of the industry saw a majority private ownership and a highly volatile work environment. Major strides towards public ownership and accountability were made with nationalisation in 1969 and 1980 which transformed the face of banking in India. The industry in recent times has recognised the importance of private and foreign players in a competitive scenario and has moved towards greater liberalization.

Banking in India in the modern sense originated in the last decades of the 18th century. The first banks were Bank of Hindustan (1770-1829) and The General Bank of India, established 1786 and since defunct.

The largest bank, and the oldest still in existence, is the State Bank of India, which originated in the Bank of Calcutta in June 1806, which almost immediately became the Bank of Bengal. This was one of the three presidency banks, the other two being the Bank of Bombay and the Bank of Madras, all three of which were established under charters from the British. The three banks merged in 1921 to form the Imperial, which, upon India’s independence, became the State Bank of India in 1955. For many years the presidency banks acted as quasi-central banks, as did their successors, until the Reserve Bank of India was established in 1935.

In 1969 the Indian government nationalized all the major banks that it did not already own and these have remained under government ownership. They are run under a structure know as 'profit-making public sector undertaking' (PSU) and are allowed to compete and operate as commercial banks. The Indian banking sector is made up of four types of banks, as well as the PSUs and the state banks; they have been joined since the 1990s by new private commercial banks and a number of foreign banks.
FIGURE 3.1

PHASES OR EVOLUTION OF INDIAN BANKING INDUSTRY

<table>
<thead>
<tr>
<th>TRIGGER EVENTS</th>
<th>PHASES</th>
<th>MAJOR CHANGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of institutional banking with 3 joint stock banks</td>
<td>Phase 1 - Pre nationalisation Phase</td>
<td>Birth of joint stock of companies Introduction of deposit banking and bank branches Presidency and other joint stock banks formed setting the foundation of modern banking system</td>
</tr>
<tr>
<td>Nationalization of imperial bank and 20 other scheduled commercial banks</td>
<td>Phase 2 - Era of nationalization and consolidation</td>
<td>State bank of India formed out of imperial bank 20 SCBs nationalized in two phases Directed credit programmes on the rise Introduction of social banking</td>
</tr>
<tr>
<td>Acceptance of recommendation of Narasimhan committee</td>
<td>Phase 3 - Introduction of Indian financial &amp; banking sector reform and partial liberalisation</td>
<td>Major changes in prudential regulations Interest rate deregulated Statutory preemption of resources eased more private sector players came in strengthened the system as a whole</td>
</tr>
<tr>
<td>Hike in the FDI ceiling for banking sector and declaration of roadmap for liberalisation</td>
<td>Phase 4 - Period of increased liberalisation</td>
<td>FDI ceiling for the banking sector increased to 74% from 49% Roadmap for inclusion of foreign banks decreased More liberal branch licensing policy followed</td>
</tr>
</tbody>
</table>


In the evolution of this strategic industry spanning over two centuries, immense developments have been made in terms of the regulations governing it, the ownership structure, products and services offered and the technology deployed. The entire evolution can be classified into four distinct phases.
• Phase I- Pre-Nationalisation Phase (prior to 1955)
• Phase II- Era of Nationalisation and Consolidation (1955-1990)
• Phase III- Introduction of Indian Financial & Banking Sector Reforms and Partial Liberalisation (1990-2004)
• Phase IV- Period of Increased Liberalisation (2004 onwards)

Current Structure

Currently the Indian banking industry has a diverse structure. The present structure of the Indian banking industry has been analyzed on the basis of its organised status, business as well as product segmentation.

Organisational Structure

The entire organized banking system comprises of scheduled and non-scheduled banks. Largely, this segment comprises of the scheduled banks, with the unscheduled ones forming a very small component. Banking needs of the financially excluded population is catered to by other unorganised entities distinct from banks, such as, moneylenders, pawnbrokers and indigenous bankers.

**FIGURE 3.2**

**STRUCTURE OF THE ORGANIZED BANKING INDUSTRY**

**Source:** D & B Industry Research service (2012)
Business Segmentation

The entire range of banking operations are segmented into four broad heads—retail banking businesses, wholesale banking businesses, treasury operations and other banking activities. Banks have dedicated business units and branches for retail banking, wholesale banking (divided again into large corporate, mid corporate) etc.

**TABLE 1.2**

**PRODUCTS AND SERVICES**

<table>
<thead>
<tr>
<th>DEPOSITS</th>
<th>CREDIT</th>
<th>OTHER CUSTOMIZED SERVICES AND PRODUCTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term Deposits</td>
<td>Bill purchased and discounted</td>
<td>Guarantee and advisory services</td>
</tr>
<tr>
<td>Demand Deposits</td>
<td>Cash credit, overdrafts and loans</td>
<td>Derivative and other treasury products</td>
</tr>
<tr>
<td>Current Deposits</td>
<td>Term Deposits</td>
<td>Insurance and investments</td>
</tr>
<tr>
<td>Savings Deposits</td>
<td></td>
<td>Para banking products</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other services</td>
</tr>
</tbody>
</table>

**Source:** D & B Industry Research service (2012)

The Indian banking industry is governed by a very diligent regulatory and supervisory framework. The Reserve Bank of India is the primary regulatory body for all banks in India. The RBI is the central bank of the country and is responsible for managing the operations of the entire financial system. The legal framework which governs the banking industry includes some umbrella acts like the RBI Act (1934) and the Banking Regulation Act (1949) that applies to all activities of all banking companies and other acts like the Companies Act (1956), Banking Companies Act, SBI Act (1955), Regional Rural Bank Act (1976), Bankers’ Books Evidence Act (1891), SARFAESI act (2002) and Negotiable Instruments Act (1881). The Reserve Bank of India is entrusted under the BR Act, to be solely responsible for the regulation and supervision of banks. It is also empowered to inspect and regulate banks keeping in view the banking policy in place and in the interest of the banking system as a whole. The ‘monetary authority’ function of the
RBI is also critical to the functioning of banks, as it has direct implications on interest rates and bank credit.

**Regulatory Framework for SCBs**

The main elements of regulatory framework for the SCBs, which have evolved from time to time, comprise branch authorization policy, prudential norms, corporate governance, foreign investment norms, priority sector norms, and statutory requirements, including, cash reserve ratio (CRR) and statutory liquidity ratio (SLR). While the regulatory framework applicable to RRBs is similar to the other scheduled commercial banks, there exist some variations given their unique nature and focus.

**TABLE 1.3**

<table>
<thead>
<tr>
<th>Population Served per Bank Branch (‘000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>Population per Bank Branch</td>
</tr>
</tbody>
</table>

*as at end June 2014.

**Source:** Annual RBI Report (2013 – 2014)

Foreign banks committed to making a play in India will need to adopt alternative approaches to win the “race for the customer” and build a value-creating customer franchise in advance of regulations potentially opening up post 2009. At the same time, they should stay in the game for potential acquisition opportunities as and when they appear in the near term. Maintaining a fundamentally long-term value-creation mindset will be their greatest challenge.

**Credit disbursement to the priority sector:**

One of the major challenges faced by the banking system in India is to provide timely and cost effective credit to the priority sectors especially the agriculture and Small scale industries, which are critical in generating employment and support the growth momentum of the economy. After witnessing robust growth between FY05-FY07, the growth in agriculture credit witnessed
some moderation in FY08. Thus banks are required to ensure availability of credit
to the agriculture sector, which forms the backbone of the Indian economy. With
significant slowdown in economic activity and exports during the latter part of
FY13, the credit growth to the micro and small experienced some moderation.
While it is important for the banks to maintain the asset quality, they also need to
direct the credit flow towards small and medium enterprises which play a critical
role in India’s economic development.

**Technology adoption**

The problem of resistance from workforce has largely been neutralized
over the years, but the primary issue involved with the adoption and rapid
integration of technological processes within banks still related to human
resources- the availability of technically skilled resources is scarce. Technology is
not among the core competencies of financial institutions, which necessitates
outsourcing. Banks in India are different from banks in many other countries, in
ways that they have a very large branch network and varied needs specific to
regions and customers. Most off the shelf solutions are not exactly in conformity
to the needs of the banks, which makes room for large customizations.

Besides, a serious concern in implementing complex technologies is
protection against frauds and hackings. Security concern slows down technology
adoption significantly for the banking industry. A fast pace of development of
security systems is imperative to the adoption of large scale innovations in the
industry. Another issue is that of business process reengineering, which is
required after computerization. Failure to successfully carry out BPR neutralizes
the benefits that an institution wishes to accomplish via adoption of a
 technological process.

India is one of the top 10 economies globally, with vast potential for the
banking sector to grow. The last decade witnessed a tremendous upsurge in
transactions through ATMs, and Internet and mobile banking. In 2014, the
country’s Rs.81 trillion (US$ 1.34 trillion) banking industry is set for a greater
change. Two new banks have already received licenses from the government.
Furthermore, the Reserve Bank of India’s (RBI) new norms will provide incentives
to banks to spot potential bad loans and take corrective steps that will curb the practices of rogue borrowers.

The Indian government’s role in expanding the banking industry has been significant. Through the Financial Inclusion Plan (FY 2010–2013), banking connectivity in the country increased more than three-fold to 211,234 villages in 2013 from 67,694 at the beginning of the plan.

Occupational stress and its disastrous consequences have been observed in all the sectors, industries and organizations. One such industry which has undergone massive changes over the last ten years is the banking industry. The banking industry is the most important constituent of the financial sector of any economy. Commercial banks in India have witnessed sweeping changes since 1969 when 14 banks were nationalized. With the opening of the banking sector, nationalized banks had to face fierce competition from private and foreign banks. It is here, that banks understood that capital and technology are replicable but not human capital which is a valuable resource for achieving a competitive edge. Nationalized banks started introducing newer products and services to keep the profit margin at a safe level to survive in the market.

The functions of financial sector effectively and efficiently will be favorable when the macroeconomics situation will also be favorable and stable. There are many areas of which increase the stress level of Branch Managers in the banking sector that require to be highlighted. When the successive government be change the rule, laws, policies and regulations are also change consecutively that effects the flow of business. The competition among the banks has be increasing which enforced them to go away from customary limited range of product of acknowledge to the government and public sector trade financing, enterprises, corporate loans, credit to international to an still increasing list of services and products (Hussain, 2004).

Throughout the past years, the sector of banking had have been changing rapidly such as changing policies, rules, technologies for competing as globally in all over the world due to the massive of more private sector banks, privatization, downsizing, immense mergers and acquisition activities in banking have led to
substantial changes in the size, structure and activity of organizations, extensive restructuring resulting from this intense merger activity may not only threaten job security of workers in the sector, but also lead to high levels of work related stress, de motivation and declining organizational commitment. Due to these changes, the employees in the banking sector are experiencing a high level of stress.

Branch Managers are expected to learn the different cultures, languages and rules and regulations of international trade resulting in increased workloads, the pressure to enhance job skills and long working hours. Such changes in the nature of job, working environment and organizational behavior would undoubtedly increase the occupational stress of the workers, which in turn affects worker’s physical and mental health (Salleh, Bakar& Keong, 2008).

The intense competition in introducing innovative products and services to satisfy the divergent customer needs has forced the branch managers to be remaining alert. The present study is an attempt to measure the level and causes of occupational stress among branch managers and impact of occupational stressors on employee morale and coping strategies in the public sector banks in India.

CHAPTER SCHEME ARRANGEMENTS:

The current research study is designed into the following chapter schema:

Chapter 1:- Introduction:

The chapter first shall focus on the overall view and background of Job Stress. Besides the occupational stress, Employee morale and stress coping strategies in the light of stress at work place are dealt in depth. Attempt will be made to look into the factors contributing stress in relation with Employee morale, coping strategies and what variables in terms of occupation are responsible for increasing the stress among branch managers. A rationale is provided for the role of employee morale in occupational stress and the need to explore these relationships more thoroughly. Also it provides an overview, organizational structure, emergence and historical background of banking sector in India. It also focuses on present banking working conditions including present practices for managing stress in the Indian banking sector.
Chapter 2:- Review of Literature:

Main focus of current chapter will be reviewing of literature, provides a review of the etiology of occupational stress and Employee morale, with particular emphasis on the emergence of occupational stress, Employee morale and coping strategies. The causes and consequences of occupational stress are examined. The intertwined relationship between Employee morale and stress is highlighted.

Chapter 3:- objectives and research methodology:

This Chapter will deal with Methodology of research adopted for this study. Main focus of this chapter will be reviewing the earlier research works, based on the problem enquiry, its objectives, hypothesis, sample frame, statistical tools and techniques for analyzing the data. Scope and need for the present study will be given its place in this chapter.

Chapter 4:- Results and Discussion:

This Chapter will mainly devote to data analysis, interpretation and discussion on different Occupational stress, Employee morale and coping strategies constructs.

Chapter 5:- Findings & Conclusions:

On the basis of data analysis, interpretation and discussions which were carried out in the previous chapter, this chapter will give space for some important findings, suggestions, implications, conclusions, Limitations, and direction & scope for future research of the study.