
IMPACT OF STRESS ON PRODUCTIVITY OF EMPLOYEES IN INSURANCE SECTOR - DAKSHINA**KANNADA DISTRICT**

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ABSTRACT:

Daily inconveniences affect people indiscriminately. Most of these inconveniences – such as misplacing things, being late to an important date, feeling as if there is too little time to accomplish all that is required – may seem trivial. However, if these inconveniences accumulate, then they may cause an individual to experience severe stress. People use the term stress to describe the feeling they have when it all seems too much, when they are overloaded and don't feel that they are able to meet all the demands placed upon them. During the past few decades, the insurance sector have under gone rapid and striking changes like policy changes due to globalisation, liberalisation, introduction of new technologies, etc. Due to these changes, the employees in the insurance sector are experiencing a high level of stress. The advent of technological revolution in all walks of life coupled with globalisation, privatisation policies has drastically changed conventional patterns in all sectors. So much so, today the achievement of targets/policies placed on the employees by the management adds to the increase in the stress level of the employees. Hence, there is a need for employees to sustain in this era of cut-throat competition. Recognising the need to innovate, many insurance employees and agents have started to establish their online presence adding to client satisfaction and comfort. The present paper is an attempt to investigate the sources of workplace stressors and their impact on the productivity of employees in the Insurance sector in the area of Dakshina Kannada district.

Key words: Stress, Productivity, Insurance Sector, Employee, Globalisation.

INTRODUCTION

Insurance is as old as civilisation. Insurance is the backbone of a country's risk management system. Risk is an inherent part of our lives. The insurance providers offer a variety of products to businesses and individuals in order to provide protection from risk and to ensure financial security. They are also an important component in the financial intermediation chain of a country and are a source of long term capital for infrastructure and long-term projects. Through their participation in financial markets, they also provide support in stabilizing the markets by removing out any fluctuations. Insurance in India has taken a galloping stage. Life insurance made its first appearance in England in the sixteenth century. In India, some Europeans started the first life insurance company – the Oriental Life Insurance Company in Calcutta. This was followed by the establishment of Bombay Life Assurance Company in 1823 in Bombay. Since the beginning of 2000, India has witnessed a transition from the earlier less dynamic to present day change-driven conditions. It has grown at a rate of 56.99 percent in 2006 in world after liberalisation. Recently de-tariffing since January 1, 2007 has facilitated the insurer to serve the society with quality and lowest cost in the competitive environment. The Union Budget 2014 increased the FDI limit in insurance to 49 per cent. This

increase in the FDI limit could help the insurance industry in two ways. One, it helps companies access capital more easily and, secondly, it could act as a trigger for listing of insurance players, which will offer a better benchmark to value these companies.

Ray, Subhashish and Pathak, Ajay (2006) opined that ever since the privatization of the insurance sector in India in 2000, the industries has been witnessing the birth of numerous private players, mostly joint ventures between foreign insurance giants and Indian diversified conglomerates and each one is trying to make an inroad into the huge untapped market. The state owned Life Insurance Corporation (LIC) alone has over 50 products. These products provide for a life cover and offer an ideal investment opportunity for future needs. Of late, the Life insurance market has been witnessing flexible and innovative insurance products with riders for numerous critical illnesses. Additionally, these life insurance companies are offering several other features such as Emergency Cover, disease-specific covers, health maintenance benefits, value-added services in the form of discounts, etc. Sinha, Ram Pratap. (2007) revealed that the public sector insurers dominate the private sector insurers in terms of mean technical efficiency in constant returns to scale, while the private sector insurers have a slightly higher mean technical efficiency than the public sector insurers in variable returns to scale. The process of insurance has been evolved to safeguard the interests of people from uncertainty by providing certainty of payment at a given contingency.

The insurance market has witnessed dynamic changes including entry of number of global insurers in both life and non-life segment. Most of the private insurance companies are joint ventures with recognized foreign players across the globe. Over the last decade, consumer awareness has improved. Competition has brought more product innovation and better customer servicing. This has made a positive impact on the economy of income generation and creating employment opportunities in this sector.

Insurance in DK District

Dakshina Kannada is located in the southern part of Karnataka. With the country witnessing a consumer boom, the insurance industry in Dakshina Kannada too has seen manifold growth when compared to its population density in the past decade. Agricultural processing and port-related activities which dominated Dakshina Kannada's economy has now turned into a insurance hub. Insurance is one of the largest private industries in India. This sector witnessed significant development in the past years –the insurance industry has undergone transformational changes since 2000 when the industry was liberalised. The industry has witnessed phases of rapid growth along with extent of growth moderation and intensifying competition.

In this 21st century, more than a dozen private sector life insurance companies have flooded in Dakshina Kannada district with a slew of individual, group and pension products. The insurance business is broadly divided into life, health, and non-life insurance. Individuals, families, and businesses face risks of premature death, depletion in income because of retirement, health risks, loss of property, risk of legal liability, etc. The insurance companies offer life insurance, pension and retirement income, property insurance, legal liability insurance, etc., to cover these risks. In addition, they offer several specialized products to meet the specific needs and requirements of businesses and individuals. Businesses also depend on these companies for various property and liability covers, employee compensation, and marine insurance.

To list a few companies in the insurance sector in DK are the Life Insurance Corporation, HDFC Standard Life Insurance Co. Ltd, Max New York Life Insurance Co. Ltd, ICICI-Prudential Life Insurance Co. Ltd, Om Kotak Life Insurance Co. Ltd, Birla Sun Life Insurance Co. Ltd, Tata-AIG General Insurance Co. Ltd, SBI Life Insurance Co. Ltd, Exide Life Insurance Co. Ltd (Formely known as ING Vysya Life Insurance Co. Ltd), Allianz Bajaj Life Insurance Co. Ltd, Metlife India Insurance Co. Ltd, Reliance Life Insurance Co. Ltd (Earlier AMP Sanmar Life Insurance Company from 3.1.02 to 29.9.05), AVIVA, Shriram Life Insurance Co. Ltd., Bharti AXA Life Insurance Co. Ltd, Future Generali India Life Insurance Company Ltd, IDBI Fortis Life Insurance Company Ltd, Royal Sundaram Alliance Insurance Co. Ltd, National Insurance Company Limited, United India Insurance Company Ltd, The New India Assurance Co. Ltd, ICICI Lombard General Insurance Co. Ltd, The Oriental Insurance Co Ltd, etc.

The demand for insurance products in the district is increasing due to the exponential growth of household savings, purchasing power, the middle class and the country's working population. With the increase in the number of insurance industries, there has also been increase in the number of products that the industry offers and this has increased the operational innovations required by the consumers and increased competition among the players. A change in the regulatory environment also is having a huge impact on the development of the industry.

STRESSORS AND ITS IMPACT ON WORK ENVIRONMENT

Faye K and James (2004) stress is a term that is used by people almost every day and therefore a distinction needs to be made to identify healthy and effective performance and those that deviate from an individual's healthy performance. Accordingly performance is believed to be increase to an optimal level as stress load rises, creating it as good stress.

In Coetzer W.J. and S. Rothmann (2002) study, results showed that job insecurity as well as pay and benefits were the highest stressors in the insurance industry. Two stressors, namely job characteristics and control were statistically significant predictors of low organisational commitment. Physical ill health was best predicted by overload and job characteristics. He further identified three main stressors in the insurance sector, namely work-life balance, work overload and job characteristics which at its best predicted psychological ill health. Change generates stress, both healthy and unhealthy' -Warren and Toll, (1997). Kang Lakhwinder Singh and Raghbir Singh (2006), identified organisational factors which include: poor organisational structure and climate, poor interpersonal relations, work overload, lack of resources, unmet financial needs and job insecurity, inconsiderate superior, rigid rules, role ambiguity and monotonous job. Cooper and Marshall (1976) stated that occupational stress includes the environmental factors/stressors such as work overload, role ambiguity, role conflict and poor working conditions associated with a particular job. Stranks (2005) states in his book that stress is a pressure placed on a person beyond his ability to handle. It has a major hidden cost to employers. There are many direct and indirect causes of stress. Anxiety and depression is manifestations of stress so employer should be aware of the fact that employees experience certain types of stress in their lives.

Narayanan R. (2012) in his study analysed Business executives are subject to conditions and situations that are likely to bring about high level of continuous stress. The work environment, size and complexity of business have expanded and the demands on the executives have become greater and greater than they were a few years ago. They are forced to resort to flight-or fight response, which represents the reaction of body and mind to a situation perceived as threatening. Lu (1999)

argued that stress has become one of the most serious health issues, a problem not just for individuals but also for employers. Rakesh (2012) explains that mild stress stimulates performance and stress results only beyond which the mind and body cannot cope effectively with the pressures and anxieties of work. Fernando Jaramillo's (2011), research examines a model focused on two acute workplace Stressors - interpersonal conflict and work overload - and their interrelationships with role stress, emotional exhaustion, job attitude, working smart, job performance, and turnover intentions. Findings indicate that work overload and interpersonal conflict mediate the impact of role stress on emotional exhaustion, job attitudes, and behaviours. Beehr and Newman (1978) in their model specify several intermediate steps in the stress-to-turnover process. These include detrimental changes in physical well-being, emotional health, and work-related attitudes.

Objectives

The present research work is intended:

- To find out the workplace stressors among the employees of the insurance sector
- To study the impact of occupational stress on the performance of insurance sector employees

Methodology:

This study is empirical in nature. A systematic research approach has been adopted for conducting the present study. The units selected for the study consists of employees working in insurance sectors (6 insurance companies were selected) in the Dakshina Kannada district. The probability sampling method used in this study was simple random sampling – where the items for the sample are selected randomly by the researcher. The sample was based on the availability of respondents. The sample size of 120 respondents was selected, and contacted out of which 103 were received complete in all respects. For the purpose of the study, the exact sample size of the study considered is 100.

The questionnaires were administered to employees with more than a years experience in that company to ensure that they are fairly aware about rules and regulations, the targets they need to achieve and the various policies practiced in their organizations.

The scope of the study encompasses the employees who belonged to different insurance companies in Dakshina Kannada district.

Tools Adopted for the Study

A questionnaire was prepared by the researcher based on the objectives of the study. The questionnaire consisted of close ended questions. The questionnaire was divided into two sections which are as follows:

- Section I - Demographic information relating to the gender, age, marital status, educational background, occupation, annual income and likewise.
- Section II – Rating the information regarding work stressors among the selected respondents in the Insurance sector

Data Collection

The data collected from the respondents was analyzed through appropriate statistical techniques. Simple statistical tools were used to analyse and present the data.

FINDINGS OF THE STUDY

Table 1: Demographic characteristics of the selected respondents in the Insurance sector

Category	Demographic variable	Frequency N=100
Gender	Male	64
	Female	36
Age	Young (<35 years)	42
	Middle (35-50 yrs)	28
	Old(> 50years)	30
Marital status	Unmarried	54
	Married	46
	Widow	00
Educational Qualification	< PUC	08
	UG	65
	PG	24
	Others	3
Place	Urban	48
	Rural	52
Designation	Manager	14
	Assistant (Jr/Sr)	53
	Agent/Advisor	23
	Others	10
Income (per annum in Rs.)	<2,50,000	18
	2,50,000-3,50,000	62
	3,50,000-5,00,000	14
	>5,00,000	06
Current Job period	< 2 years	18
	2-5 years	49
	>5 years	33
Employment of spouse	Un employed	39
	Semi professional	43
	Professional	18

The demographic characteristics of respondents presented in table 1 indicated that, majority of the respondents were male (64%). Further it was evident that majority of the respondents are young i.e, below the age of 35 years. In terms of place, it is observed that there is a significant difference between the responses of the respondents of rural and urban area with regard to stress. Marital status depicted that maximum percentage of the respondents (54%) were unmarried. Table 1 also deals with the information regarding education, place of origin, designation, income of the respondent, current job period and employment of the spouse. The employee's tenure in an organization also has influence on employee job performance. Hence we can say that experienced employees are more capable of handling stress.

STRESSORS AMONG THE INSURANCE SECTOR EMPLOYEES.

The circumstances with which the individuals have to work in daily living and the roles that they need to play cause stress. The stress caused may motivate or demotivate the subjects to fulfill their role obligations. Stress causing factors are called as the stressors. According to Pestonjee (1992) the identified sources of stressors in the organization were namely, work, role, personal development, interpersonal relations and organizational climate stressors.

Table 2: Work stressors among the selected respondents in the Insurance sector

1= strongly disagree, 2= disagree, 3= neutral, 4= agree, 5 = strongly agree.

Sl. No.	Work stressors	1	2	3	4	5
1	Heavy workloads	11	21	42	13	13
2	Lack of opportunity for growth and advancement	06	28	32	27	07
3	Difficulty in balancing work and family life	10	29	36	23	02
4	Higher cost of living	03	12	22	49	14
5	Technology that makes work more challenging	15	27	32	14	12
6	Longer work hours	23	15	32	12	18
7	Increased family responsibilities	48	18	13	7	14
8	Ineffective management style	37	11	14	12	26
9	Unpleasant work environment	63	20	05	08	04
10	Fear of Job security	8	25	19	28	20
11	Unrealistic job expectations	04	15	23	36	19
12	Low salary	04	19	17	38	22
13	Lack of authority/Control	26	13	28	21	12
14	Frequent Changes in the system/policies/procedures/rules	00	09	18	21	52
15	Lack of workplace safety measures	14	28	17	35	06

It is observed that 52% of the respondents feel that the major source of work stressors are Frequent Changes in the system/policies/procedures/rules followed by Ineffective management style (26%), Low salary (22%), Fear of Job security (20%), Unrealistic job expectations (19%), Longer work hours (18%), Higher cost of living and Increased family responsibilities (14%), Heavy workloads (13%), Technology that makes work more challenging (12%), Lack of opportunity for growth and advancement (7%), Lack of workplace safety measures (6%), Unpleasant work environment (4%) and difficulty in balancing work and family life (2%).

Table 3: Impact of Workplace stress among the selected respondents in the Insurance sector

Workplace stress has shown to have a detrimental effect on the health and well-being of employees.

1= strongly disagree, 2= disagree, 3= neutral, 4= agree, 5 = strongly agree.

Sl. No.	Impact of Workplace stress	1	2	3	4	5
1	Physical well-being is hampered	04	04	12	32	48
2	High rate of absenteeism	12	18	36	18	16
3	Poor performance and productivity	08	12	27	32	21
4	Low morale	05	15	28	42	10
5	High employee grievances	12	15	32	28	13
6	High staff turnover	00	08	6	18	68
7	Emotional Impact(anxiety, irritability, depression, ...)	15	27	26	16	16
8	Physiological Impact (Sleep disturbance, headache, increased BP, cardiovascular diseases, ...)	08	00	02	37	58
9	Intellectual Impact (Lack of concentration, poor decision making, loss of memory,...)	11	9	38	24	18
10	Behavioural Impact (Inappropriate display of behaviour, isolation, substance misuse, unpunctuality,...)	14	14	12	28	32

Following were the observations made regarding the impact of stress on the respondents:

68% witnessed high staff turnover followed by 58% felt the Physiological Impact (Sleep disturbance, headache, increased BP, cardiovascular diseases,), followed by Physical well-being hampered 48%, Behavioural Impact 32%, Poor performance and productivity, Intellectual Impact, Emotional Impact, High rate of absenteeism, High employee grievances and Low morale.

Conclusion

The future looks interesting for the life insurance industry with several changes in regulatory framework which will lead to further change in the way the industry conducts its business and engages with its customers. The Indian insurance market is poised for strong growth in the long run. It stands at the threshold of moving towards a stable position, delivering stable profitable growth. Demographic factors such as growing middle class, young insurable population and growing awareness of the need for protection and retirement planning will support the growth of Indian life insurance.

The present paper used data on a sample of employees working for Insurance sector in Mangalore, in order to understand the impact of workplace stress on employee performance. In this context, the present study utilized simple statistical tools like the frequency table to understand the relationship between the two. There were 15 factors/stressors which were identified which may influence different levels of stress, but the responses to majority of these factors showed a significant difference. Factors like Balance between Work demands and personal life and Lack of workplace safety measures showed no much difference to stress. In course of verbal communication with the respondents it was observed that female employees are more exposed to stress as they have more responsibilities in family and in meeting the set targets.. The study also revealed that employees with lower qualification experience more stress. The key concern in the insurance sector is that the stakeholders should eventually work towards maintaining a favourable environment for stable growth, increasing the penetration of insurance to rural and underpenetrated areas and increasing the contribution to the economy. Moreover, as more players offer their insurance plans, the end customers will get better service and more options, translating to better insurance and better value for money. It's a win-win situation for both the insurance sector as well as the end customer.

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