

# **Stress Management in the Banking Industry: A Case study of Kangra Central Co-operative Bank Ltd.**

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## **ABSTRACT**

A bank is a monetary organization that gives banking and other monetary administrations to their clients. A bank is for the most part perceived as an organization which gives principal banking administrations like tolerating stores and giving credits. Before the foundation of banks, the monetary exercises were taken care of by cash moneylenders and people. Stress is an all inclusive peculiarity and presently a - days no association can profess to be peaceful. Each occupation is testing and seriously requesting. It requires elevated requirement of execution, great in work and getting yearnings and assumption satisfied. Each representative is compelled to have an unpleasant and chaotic way of life. Assuming he neglects to meet, he faces pressure and other mental issues. It consequences for human body. Stress straightforwardly affects workers' presentation. Stress prompts further develop execution to an ideal point past the ideal point further pressure and excitement affect execution. This is on the grounds that representatives who work in profoundly upsetting circumstances might feel drained and discouraged. They likewise make physical and mental issue, for example, hypertension, hearing issue and mental problem. These psychological and actual problems influence the exhibition of the workers as well as influence the efficiency of the association.

Keywords: Bank, Performance, Stress, Job evaluation

## **INTRODUCTION**

A bank is by and large comprehended as an establishment which gives central financial administrations like accepting deposits and giving credits. Before the foundation of banks, the monetary exercises were dealt with by cash loan specialists and people. Around then the financing costs were extremely high. Again there were no security of public saving and no consistency in regards to credits. In order to over-come such issues the coordinated financial area was laid out which was completely directed by the public authority. The coordinated financial area works inside the monetary framework to give credits, acknowledge stores and offers different types of assistance to their clients.

## **HISTORY OF INDIAN BANKING SECTOR**

The first bank in India, called the General Bank of India was established in the year 1786. The East India Company established The Bank of Bengal/Calcutta (1809), Bank of Bombay (1840) and Bank of Madras (1843). The next Bank was Bank of Hindustan which was established in 1870. In 1921, all presidency banks are amalgamated to form the Imperial Bank of India which was run by European Shareholders. After that the Reserve Bank of India

was established in April 1935. Reserve Bank of India was vested with extensive powers for the supervision of banking in India as a central Banking Authority. After independence, Govt. has taken most important steps in regard of Indian Banking sectors reforms. On July 1969, major process of nationalization was carried out. At the same time 14 major Indian commercial banks of the country were nationalized. In 1980 another six banks were nationalized and thus raising the number of nationalized banks to 20. Seven more banks were nationalized with deposits over 200 crore. On the suggestions of Narsiman Committee, the Banking Regulation Act was amended in 1993 and thus the gates for the new private sector banks were opened.

### THE KANGRA CENTRAL CO-OPERATIVE BANK LTD

The Kangra Central Co-operative Bank Ltd was registered under Co-operative Societies Act 1912 on 17th March 1920 with Registrar Co-operative Societies Punjab situated at Lahore. At time of registration the Bank had only one branch at Dharamshala. Bank suffered loss of funds because of partition in 1947 to the tune of Rs 10.64 Lakhs deposited with Provincial Bank Lahore as fixed Deposit, Imperial Bank Lahore in current account and Punjab Bonds payable at Lahore. Second Branch of the Bank was opened after a lapse of 36 years at Nurpur in 16th January 1956 by merger of Indora Banking Union with Bank. On 4th February 1957 3rd branch was opened at Palampur by merging Palampur Banking union to the Bank. Nanaon Banking union was merged and 4th Branch was opened at Hamirpur on 1st January 1958. After the reorganization of States the number of branches increased from 8 in 1966 to 39 in 1976. The was all due to aggressive deposit mobilization campaign entered by the Bank in the year 1971-72 for funds of compensation awarded to people affected in the area of Pong Dam. Bank got maximum share of deposit in that area and bank's deposit grew from Rs 256 lakhs in 1970-71 to Rs 1054 lakhs in 1973-74. In 1990 Bank also started financing to individuals and banks, profitability and credibility increased substantially.

(Figures in Lakhs)

| Year | Share Capital | Funds    | Deposits   | Loans     | Profit  | Working Capital | No. of Branches |
|------|---------------|----------|------------|-----------|---------|-----------------|-----------------|
| 1947 | 0.77          | 0.60     | 12.16      | 0.27      | 0.05    | 13.71           | 01              |
| 1961 | 03.20         | 0.91     | 22.74      | 17.31     | 0.01    | 42.48           | 04              |
| 1976 | 22.21         | 28.93    | 1043.24    | 153.47    | 28.04   | 1132.47         | 39              |
| 1995 | 123.95        | 696.40   | 30187.30   | 9654.94   | 1147.67 | 42577.77        | 94              |
| 2005 | 226.24        | 26343.75 | 223304.92  | 88320.03  | 6123.85 | 279760.63       | 157             |
| 2010 | 209.22        | 60755.52 | 340863.62  | 149730.22 | 4718.88 | 461799.11       | 163             |
| 2015 | 216.74        | 71206.29 | 741982.03  | 352741.86 | 4264.53 | 901400.51       | 198             |
| 2016 | 223.19        | 76710.22 | 842757.03  | 382057.28 | 4993.57 | 1031696.23      | 204             |
| 2017 | 228.76        | 80245.25 | 962618.61  | 359594.72 | 2755.76 | 1205489.83      | 215             |
| 2018 | 228.77        | 87773.79 | 997143.75  | 382043.62 | 455.45  | 1248972.18      | 217             |
| 2019 | 229.72        | 84094.38 | 1153924.53 | 420255.78 | (4033)  | 1273931.20      | 217             |
| 2020 | 229.31        | 96463.92 | 1217417.66 | 424286.27 | 346     | 1364361.30      | 218             |

Source: Annual Reports of KCC Bank Ltd.

At present the Bank has its area of operation in 5 districts of Himachal Pradesh namely Kangra, Una, Hamirpur, Kullu and Lahul Spiti. The Bank has a network of 218 branches, 13 extension Counters and 18 zonal offices with 105 ATMs.

## **INTRODUCTION TO STRESS**

Stress is a universal phenomenon and now- a –days no organization can claim to be stress free. Every job is challenging and more demanding. It requires high standard of performance, high quality in work and getting aspirations and expectation fulfilled. Every employee is forced to have a stressful and hectic lifestyle. If he fails to meet, he faces stress and other psychological problems. It effects on human body. Which gives rise to tension, anxiety, depression and anger? The united-nations international labor organization (ILO) has defined occupational stress as “Global Epidemic.”

Stress has been defined as imbalance between demand and response. Stress is a psychological reaction to the demand innate in a stressor that has the potency to make a person feels restless or distressed because the person feels that he is not capable of coping with these demands. Han Selye (Medical Researcher) defines stress as a non-specific response of the body to the demand.

Employers should give a stress – free work environment, where stress creates problems for employees and take adequate action to reduce stress. Stress in the workplace not only reduces productivity but also increase management pressures and makes people physically and mentally ill. Workplace stress affects the performance of employees. Stress affects memory, concentration and learning power of employees. Stress believed to drive 70% of visits to doctors, and 85% of serious illnesses. Stress at work also provides a serious risk of clash for all employers and organizations carrying significant drawback for damages, bad publicity and loss of reputation. Dealing with stress- related claims also consumes vast amount of management time. Therefore, there are clearly strong economic and financial reasons for organizations to manage and reduce stress at work.

## **STRESS AND JOB PERFORMANCE**

Stress has a direct impact on employees’ performance. Stress leads to improve performance to an optimum point beyond the optimum point further stress and arousal have detrimental effect on performance. This is because employees who work in highly stressful situations may feel tired and depressed. They also create physical and mental problem such as high blood pressure, hearing problem and mental disorder. These mental and physical disorders not only affect the performance of the employees but also affect the productivity of the organization. Many researchers have concluded that some degree of stress is necessary for physical and mental growth. This is because due to some stress individuals become more creative. Innovative and alert. They learn new skills and knowledge to cope up with adverse situations.

On the other, hand high degree of stress causes regularly undesirable and unpleasant situations that create physical and psychological disorders and it has known as distress. So, in this way, one can say that low degree of stress causes negative outcomes such as lack of motivation, lack of interest and gets negative impact on productivity of organization and moderate level of stress creates desirable and pleasant situations that help the individuals to improve the performance of job and the productivity of the organization.

**REVIEW OF LITERATURE**

Radha. G (2014)<sup>1</sup>, in the study entitled “Occupational Stress among the bank Employees in Tivarurar District of Tamil Nadu”, express the level of occupational stress among public sector bank employees. The result of the study reveals that the officers and clerical staff experience high level of stress and sub-staff face moderate occupational stress. This study defines that occupational stress to be harmful physical and emotional responses that occur when the requirements of the job do not match the capabilities resources, or needs of the workers.

Anbazhagan.a *et.al.* (2013)<sup>2</sup> in the study “work Stress of Hotel Industry employees in Pondicherry”, have identified the causes of stress. The type of research is descriptive because the employees’ opinions are qualitative in nature. Most of the respondents have not cleared about their organizational goals and hence there have role conflict. They have found that unachievable deadline is one of the areas where the employee faces stress. Most of the employees feel that the organization is not utilizing their ability properly.

Shukla H. & GARG R. (2013)<sup>3</sup> have conducted a study on stress management among the employees of nationalized banks in Indore, observed that most of the employees fear with the point that lack quality in their work sets stress on them. The researchers have explained that this study has exploratory in nature and maximum number of employees in bank has remained in stress. The main causes of stress overloaded, non-achievement of their target of work, family problem, the order of their boss by sacrificing their important home function.

Pathak D. (2012)<sup>4</sup> has examined the understanding between organizational stress, job satisfaction and Perceived Organizational Support in the study “Role of perceived organizational support on stress-satisfaction relationship: An empirical study”. The result of the study shows that Perceived Organizational Support has moderated relationship between both. The study has done on a sample of 200 managers belonging to Private Sector Organizations of Delhi/NCR region. The result has showed that Organizational Role Stress has negatively related with job satisfaction.

Deshpande C.R. (2012)<sup>5</sup> has explored the various causes of stress at workplace in the study “A healthy way to handle work place stress through Yoga, Meditation and Soothing”. It aims at suggesting the various stress management techniques like humour Yoga, Meditation and Soothing. The study has exploratory in nature and based on secondary data. The researcher has suggested that Stress to be reduced if enterprises take the right steps. Employees perform better, work harder, feel happier and have a long- term commitment to the organization in stress free environment. Now time has come when the organizations adopt the philosophy of HEALTHY MIND AND HEALTHY BODY.

**NEED OF THE STUDY**

Stress management should be included as one of the top agendas in modern day society. Today the banking industry is one of the fastest growing sectors of India. Now a days Indian banking sector is becoming the sector of profit oriented and target oriented. This orientation increases the stress in the minds of employees of Banks. Stress

management is an important activity of strategic human resource management. The proposed Research will explain the causes of stress and its impact on employee's performance. The findings of the study may help in reducing stress of employees at workplace and increase the efficiency of the employees and organization. It has been found after doing the review of literature that there is a problem of stress among employees of the Banks. The researcher did not come across any such study which has been conducted in the Co-operative Banks in relation to Stress. This is the major consideration to select the proposed study. Moreover Kangra Central Co-Operative Bank is the one of the largest Co-operative Bank in Himachal Pradesh.

## RESEARCH METHODOLOGY

This researcher aims at studying and assessing the level of stress in the KCC Bank and suggesting the coping strategies of stress in bank. The research design will be descriptive and analytical in nature.

## OBJECTIVES OF THE STUDY

1. To study the causes of stress among the employees of the KCC Bank Ltd.
2. To analyze the impact of stress on performance of the employees of KCC Bank Ltd.
3. To identify the stress management techniques adopted by KCC Bank Ltd.

### Sample Design

**Sampling Technique:** Purposive Multi- stage Sampling

**Sample Size:** 200

**Sample Unit:** Employees of KCC Bank Ltd.

**Sample Area:** District Kangra

**Data Collection** Multiple stage sampling method is used for collection of employee's data. Survey method would be helpful for Primary data collection purposes. The data will be collected by administering a structural schedule of questions.

In this section, **multi staged sampling method will be** used. Different stages through which, the sampling process will be carried as follows:

**Stage 1:** The Kangra Central Co-operative Bank which is operational in 17 Sub-Divisions in District Kangra, the 10 Sub Divisions will be selected.

**Stage 2:** From each Sub- Division, 5 Branches of Kangra Central Co-operative Bank will be selected. Thus, in total 50 Branches will be selected.

**Stage 3:** From each selected Branch, Four employees will be selected. Thus in total, 200 employees will be selected. So, the total sample size will be 200.

### Secondary Data:

Secondary Data: Through Journals, Magazines, Books, Newspapers, Websites etc.

## Tools of Analysis

Mathematical Tools, Percentage, simple average

## Scope & Significance of the Study

The World today is fast changing and every individual faces a lot of pressure and demand at work. These pressures at work lead to mental and physical disorders. Stress refers to an individual's response to a disturbing factor in the environment and the consequences of such a reaction. This study will help organizations to know what causes stress and how to reduce the same in employees since it is a well known fact that a healthy and sound employee is a productive employee.

## DATA ANALYSIS AND INTERPRETATION

In order to get the feedback from the employees regarding the working environment in the bank a question was included in the questionnaire by including below mentioned variables and It has been inferred from the below table that very oftenly the employees of the Kangra Central Co- Operative Bank are comfortable with the working environment while less no. of the employees are not comfortable with the working environment in which they are working.

| S. No.       | Particulars | No. of Respondents | Percentage |
|--------------|-------------|--------------------|------------|
| 1            | Always      | 26                 | 13         |
| 2            | Very Often  | 78                 | 39         |
| 3            | Sometimes   | 58                 | 29         |
| 4            | Rarely      | 32                 | 16         |
| 5            | Never       | 6                  | 3          |
| <b>Total</b> |             | 200                |            |

To understand the level of stress in job employees were enquired and it has been inferred from the below table that 37% of the respondents were said that they undergo the stress sometimes while only 5% of the respondents said that they always undergo the stress in their job.

| S.No.        | Particulars | No. of Respondents | Percentage |
|--------------|-------------|--------------------|------------|
| 1            | Always      | 10                 | 5          |
| 2            | Very Often  | 36                 | 18         |
| 3            | Sometimes   | 74                 | 37         |
| 4            | Rarely      | 52                 | 26         |
| 5            | Never       | 28                 | 14         |
| <b>Total</b> |             | 200                |            |

To evaluate the Stress in the work place have an impact over your basic performance a five point scale was used and It has been inferred from the above chart that 33% of the respondents were agreed that the Stress in the work place have an impact over your basic performance while only 6% of the respondents were of the opinion that the Stress in the work place have an impact over your basic performance.

| S.No.        | Particulars       | No. of Respondents | Percentage |
|--------------|-------------------|--------------------|------------|
| 1            | Strongly Agree    | 40                 | 20         |
| 2            | Agree             | 66                 | 33         |
| 3            | Neither           | 12                 | 6          |
| 4            | Disagree          | 26                 | 13         |
| 5            | Strongly Disagree | 56                 | 28         |
| <b>Total</b> |                   | 200                |            |

To understand the importance of work Stress Management on morale and good will of the Employees it has been inferred from the below table that 39% of the respondents thought that work Stress Management improves the morale and good will of the Employees while only 6% of the employees thought that work Stress Management improves the morale and good will of the Employees.

| S.No.        | Particulars | No. of Respondents | Percentage |
|--------------|-------------|--------------------|------------|
| 1            | Always      | 78                 | 39         |
| 2            | Very Often  | 36                 | 18         |
| 3            | Sometimes   | 46                 | 23         |
| 4            | Rarely      | 28                 | 14         |
| 5            | Never       | 12                 | 6          |
| <b>Total</b> |             | 200                |            |

## CONCLUSION

The productivity of the work force is the most decisive factor as far as the success of the Kangra Central Co-operative Bank Ltd. is concerned. The productivity in turn is dependent on the psychological well-being of the employees. In an age of highly dynamic and competitive world, man is exposed to all kinds of stressors that can affect him on all realms of life. On the basis of analysis and interpretation of questionnaire filled by employees of the Kangra Central Co-operative Bank Ltd. More than two-fifth of respondents were either comfortable sometimes or rarely comfortable with their working environment. A very small proportion of respondents were never comfortable. Hence in nutshell near about half of the respondents were not fully comfortable with their working environment. Majority of the respondents either agreed or strongly agreed that stress in the work place have an impact over their basic performance. On the other-hand two-fifth of respondents either disagreed or strongly disagreed for the same. There is an impact on performance of employees due to imbalance between the pressure of responsibility for family and for work. Majority of the respondents are of the opinion that Work Stress Management always or very-often improve the morale and goodwill of the employees. In nutshell work stress management play an effective role in improving the morale and goodwill of the employees. Finally, the problem of stress is inevitable and unavoidable in the banking sector. Excessive stress proves to be harmful for an individual, group and affect their performance individually and bank as a whole. It ultimately leads to compromised health and loss of productivity. Various psychological and psychometric problems, over-reacting, arguing, getting irritated, frustration, improper work, delay in completion of job etc., are the outcomes of the stress. Stress experienced by one employee can affect the security of other employees also. Productivity is directly related with the health of an employee. Healthy an employee, higher the productivity and vice-versa. Work place stress has a significant impact

on team performance, employee well-being and overall performance of the Bank. In nutshell it can be concluded that the problem of stress is inevitable and unavoidable in the banking sector. The more informed the employee, the less stress and the more productive the employee will become. A majority of the employees face severe stress-related ailments and a number of psychological problems. Hence, the management must take several initiatives in helping their employees to overcome its disastrous effect. Since stress in banking sector is mostly due to excess of work pressure and work life imbalance, the organization should support and encourage taking up roles that help them to balance work and family. Productivity of the work force is the most decisive factor as far as the success of an organization is concerned. The productivity in turn is dependent on the psychological well-being of the employees. In an age of highly dynamic and competitive world, man is exposed to all kinds of stressors that can affect him on all realms of life.

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