

IMPACT OF JOB STRESS ON EMPLOYEE'S PERFORMANCE OF SALES DEPARTMENT: A COMPARATIVE STUDY OF LIC AND HDFC STANDARD LIFE INSURANCE COMPANY LTD IN THE SELECTED CITIES OF MADHYA PRADESH

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Abstract :

Over the years, a lot of research has been carried out in the area of work place stress and it has been emphatically proven that intense or prolonged stress leads to a negative impact on one's mental and physical well being. Even though a fair degree of stress may be felt in all Occupations, some work places have been known to experience more stress compared to others. Life insurance sector is one of the sectors where the employee's monetary benefits are based on their sales targets although reasonable salary is given to them which is fixed and not based on target achievements. It is a normal tendency, people avoid life insurance and prefers to invest their money where high returns are expected. Keeping this philosophy in mind, it is a challenge for the sales team to convince the prospects and sell them insurance products. This research paper is an attempt to find out the degree of stress between the employee's of LIC and the employee's of HDFC Standard Life Insurance Company and suggest stress management strategies which helps in enhancing the performance of the employee.

Keywords Insurance companies, Job stress, Emotion, LIC, HDFC

Introduction

Stress in the current scenario is considered to be universal and people in almost all walks of life experience stress to a very great extent. Due to the impact of globalization the influence of Stress in this era of high technology speed, global competition and consumerism is found to be increasing at a faster rate. Taking its toll on the physical and psychological health of the employees especially the managers, it

is also found to be affecting the productivity and functioning of an organization. Various studies have been conducted to examine the relationship between job stress and job performance. Job performance can be viewed as an activity in which an individual is able to accomplish the task assigned to him/her successfully, subject to the normal constraints of reasonable utilization of the available resources.

At a conceptual level, three types of relationships were proposed to exist between the measures of job stress and job performance (Jamal, 2007). One is a negative linear relationship, when productivity decreases with stress (distress). Productivity can also increase as a consequence of stress, thereby implying a positive linear relationship between the two. Thirdly, there could be a U-shaped or a curvilinear relationship where in, mild stress could increase the productivity initially up to a peak and then it declines as the person descends into a state of distress. Alternately, there need not be any quantifiable relationship between the two.

If we managed or reduced the stress related to job like time pressure, more supervision, fired without cause any time, insecurity about the job, work overload of the employees of the insurance company then the performance of the employees will increase which definitely provides a positive impact on the growth & profitability of insurance company and the profitability gain by the insurance sector will ultimately helps in the economic growth of our country.

Industry Profile

Life Insurance in its modern form came to India from England in the year 1818. Oriental Life Insurance Company started by Europeans in Calcutta was the

first life insurance company on Indian soil. All the insurance companies established during that period were brought up with the purpose of looking after the needs of European community and Indian natives were not being insured by these companies. Bharat Insurance Company (1896) was also one of such companies inspired by nationalism.

The Insurance Act 1938 was the first legislation governing not only life insurance but also non-life insurance to provide strict state control over insurance business. The demand for nationalization of life insurance industry was made repeatedly in the past but it gathered momentum in 1944 when a bill to amend the Life Insurance Act 1938 was introduced in the Legislative Assembly. Nationalization was accomplished in two stages; initially the management of the companies was taken over by means of an Ordinance, and later, the ownership too by means of a comprehensive bill. The Parliament of India passed the Life Insurance Corporation Act on the 19th of June 1956, and the Life Insurance Corporation of India was created on 1st September, 1956, with the objective of spreading life insurance much more widely and in particular to the rural areas with a view to reach all insurable persons in the country, providing them adequate financial cover at a reasonable cost. Since life insurance contracts are long term contracts and during the currency of the policy, it requires a variety of services, need was felt in the later years to expand the operations and place a branch office at each district headquarter. Re-organization of LIC took place and large numbers of new branch offices were opened. From then to now, LIC has created many milestones and has set unprecedented performance records in various aspects of life insurance business. The same motives which inspired our forefathers to bring insurance into existence in this country inspire us at LIC to take this message of protection to light the lamps of security in as many homes as possible and to help the people in providing security to their families.

Research Objectives

1. To explore comparative difference in the job stress of employees of Life Insurance Corporation of India and HDFC standard life insurance company ltd.
2. To analyze the impact of job stress on performance of employees.

Hypothesis

H01 : There is no significant difference in the stress level of the Life Insurance Corporation of India and HDFC Standard life insurance

Company ltd.

H02 : There is no linear co-relation between job stress and work performance of employees.

Scope of the Study

To undertake the study, convenience sampling method was used so that the respondent can give a clear and fair picture about his/her feeling towards the stress at work place. The study is limited to the three levels of employees designated as Branch Manager/ Assistant Branch Manager Sales Manager and Development Officers of Life Insurance Corporation of India and HDFC Standard life Insurance Limited.

Sample Size

A sample of 160 employees has been contacted (80 each from LIC and HDFCSLIC). The samples were taken from the selected branches falling in the state of Madhya Pradesh.

Table 1: Are you Satisfied With the Benefits Being Provided by the Company?

Table 2: What More Benefits do you Expect from the Company for Removing Your Job stress?

Table 3: Are You Satisfied With The Working Environment Provided By The Company?

Table 4: Are You Satisfied With The Incentive Plans Made By The Company?

Table 5: Analyze the Factors Which Are Responsible for Work Overload.

Table 6: Which of the Following Gives Maximum Stress?

Table 7: Analyze the Stress Level of Employees on the Basis of These Factors

Data Analysis

Hypothesis 1

H0 : There is no significant difference in the stress level of the life insurance corporation of India and HDFC Standard life insurance Company ltd.

H1 : There is a significant difference in the stress level of the life insurance corporation of India and HDFC Standard life insurance Company ltd.

$$\text{Chi-square} = \sum (O-E)^2 / E$$

$$E = 152/80 = 1.9$$

where O=observed frequency and E=expected frequency

$$\text{Degree of freedom} = n - 1$$

$$= 5 - 1 = 4 = 9.49$$

In this case chi-square value is less than tabulated value so we can say that null hypothesis is accepted in this case.

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value so we can say that null hypothesis is accepted in this case.

$$\text{Chi-square} = \sum(O-E)^2/E$$
$$= 778/80 = 9.49$$

where O=observed frequency and E=expected frequency

$$\text{Degree of freedom} = n - 1$$
$$= 5 - 1 = 4$$
$$= 9.725$$

In this case chi-square value is more than tabulated value so we can say that null hypothesis is rejected in this case.

Hypothesis 2

Table 8: Table of Life Insurance Corporation of India

Table 9: HDFC Standard life Insurance Company Limited

$$\text{Chi-square} = \sum(O-E)^2/E$$
$$= 514/80 = 6.425$$

where O=observed frequency and E=expected frequency

$$\text{Degree of freedom} = n - 1$$
$$= 5 - 1 = 4$$
$$= 9.49$$

In this case chi-square value is less than tabulated value so we can say that null hypothesis is accepted in this case.

H₀ : there is no linear co-relation between job stress and work performance of employees.

H₁ : there is a linear co-relation between job stress and work performance of employees.

$$\text{Chi-square} = \sum(O-E)^2/E$$
$$= 1016/80$$
$$= 63.5$$

where O=observed frequency and E=expected frequency

$$\text{Degree of freedom} = n - 1$$
$$= 5 - 1 = 4$$
$$= 9.725$$

In this case chi-square value is more than tabulated value so we can say that null hypothesis is rejected in this case.

Table 10: Life Insurance Corporation of India

Table 11: HDFC Standard life Insurance Company Limited

Findings

After going through the research on Life insurance it is observed that both the companies are having different atmosphere from each other and there are different factors of job stress causing stress on the employee's performance. In Life Insurance Corporation of India, job stress is less as compare to HDFC Standard life Insurance company Ltd.

HDFC Standard life insurance company Ltd has more job stress regarding time pressure, more supervision, fired without cause any time, insecurity about the job, work overload and on the side in case of Life Insurance Corporation of India, Work load is a cause of concern for job stress. The object of preparing this report is to explore comparative difference in the job stress of employees of life insurance Corporation of India and HDFC Standard life life insurance company ltd. The important findings of the study are as under:

- o Benefits which are provided by HDFC Standard life insurance company ltd, their employees are more satisfied as compare to the LIC employees. LIC employees are more demanding.
- o Employee's of both the companies desires more benefits like bonus, promotion which helps to brighten their careers.
- o As compare to HDFC Standard life , LIC has low job stress regarding competition in the market because LIC has 71% total share of the market and the private insurance sector has 29% share in the market.
- o As compare to the LIC, new insurance plans are quickly communicated to the HDFC SLIC because private companies are more active than the public companies. They are faster and desire to capture the market as soon as possible.
- o In both the companies the working environment are safe But the HDFC SLIC. Employee's are more satisfied than the LIC employee's. Because the work environment is better in private companies.
- o The training facilities are provided by the both companies but the employees of HDFC SLIC are more strongly agreed than the LIC employee's.
- o Impact of training on the performance of the employee's is better in the HDFC SLIC as compare to the LIC because training facility is better in the HDFC SLIC. Private companies are very much active.
- o As compare to HDFC SLIC, LIC employee's get better incentives because private companies employee's are having many target to achieve on time they are having so much time pressure as compared to public companies.
- o The factor over load at work gives more pressure on the job of all employees' whether they belong to public or private. but in LIC there is also red tape which is not in HDFC SLIC and the

LIC employee's get much more time as compare to HDFC SLIC. In private companies time is less provided to the employee's to complete the task.

- o The factor of poor pension is prevailing in the LIC and they have stable salaries or less salary as compared to the HDFC.S.L.I.C.
- o Insecurity of job regarding fired without cause is so much in HDFC SLIC but not in LIC. Insecurity regarding transfer is more in HDFC SLIC as compare to the LIC.
- o Work overload has several reasons like co-workers are inefficient, cannot consult with others, complete work at home, shortage of help etc. In LIC employees are less efficient than the HDFC SLIC, but they can discuss the problems with the others like colleagues which is not much possible in the HDFC SLIC. Work under load is more in the LIC as compare to the HDFC SLIC due too little responsibility, little chance for growth and in HDFC SLIC work under load is also due to the factor over qualified for job.
- o Barriers which affected on job is different in all the companies like the job not suited to the person according to his/her qualification, ability to perform the task is more in LIC as compare to the HDFC SLIC and sometimes work goes unrecognized.
- o The factor which gives the maximum stress is different for each person, in LIC which gives maximum stress is health related problems because most of the employee's working there is not from young generation they are mostly above 30 years old.
- o Runaway from stressful situation is very much more in LIC as compare to the HDFC SLIC, employee's of the LIC are having the chance to run away from the stressful situations but the private company employee's never get the chance to runaway they used to the face the hard situations to compete with the competition.

Strategies for Managing Stress of sales department:-

Stress experienced by the employees in their job has negative impact on their health, performance and their behaviour in the organization. Thus, stress needs to be managed effectively so as to set off these harmful consequences. By managing the stress level of sales department we will increase the performance of the employees which will definitely helps in the economic growth & development of the country. Strategies

for managing stress are as follows-

Organizational strategies for managing stress

1. Encourage decentralization.
2. Have a fair distribution of incentives and salary structure.
3. Promote job rotation and job enrichment.
4. Create a just and safe working environment.
5. Appreciate the employees on accomplishing and over-exceeding their targets.

Individual Strategies for Managing Stress

1. The employees should make a "to-do" list daily, prioritize the acts in the list and plan the acts accordingly. Take regular breaks during work to relax you. By effective time management, the employees can achieve their targets timely and can meet work pressures and, thus, avoid stress.
2. Indulge in physical exercises. It helps in effective blood circulation, keeps you fit, diverts mind from work pressures.
3. Encourage a healthy lifestyle. Take a regular sleep, have plenty of water, have healthy eating habits. Promote relaxation techniques such as yoga, listening music and meditation.
4. The employees should have optimistic approach about their work. They should avoid connections with negative approach employees.
5. Employee counseling is a very good strategy to overcome employee stress. Through counseling, employees can become aware of their strengths and how to develop those strengths; their weaknesses and how to eliminate them; and they can develop strategies for changing their behavior. Employees are also given career counseling which helps in reducing their ambiguities with regard to career.

Conclusion

This study has been undertaken to analyze the impact of job stress on the performance of sales department employees in the selected cities of M.P. This study revealed that the employees of the HDFC Standard life insurance company ltd has faced more job stress as compared to the Life Insurance Corporation of India due to more targets to be achieved at one or the other time, they have lack of time as compare to Life Insurance Corporation of India. Now a day's infrastructure of both the companies is good. Stress levels of LIC employees is less, they have enough time to complete the targets on time. They have job security for the life time but the employees of HDFC Standard life insurance company ltd are having less job security because they

can be fired anytime without a big cause. Working hours of LIC is less as compare to HDFC SLIC. HDFC SLIC has provided more benefits to reduce the stress level of the employees, is providing them best environment for them.

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Table 1: Are you Satisfied With the Benefits Being Provided by the Company ?

S.N	Contents	LIC	HDFC SLIC
1	Strongly Satisfied	35	41
2	Satisfied	38	30
3	Moderate	7	9
4	Dissatisfied	-	-
5	Strongly Dissatisfied	-	-
	Total	80	80

Source:Primary data

Table 2: What More Benefits do you Expect from the Company for Removing Your Job stress ?

S.N	Contents	LIC	HDFC SLIC
1	Bonus	21	19
2	More Salary	23	16
3	Promotion	18	26
4	Reward	13	14
5	Medical Facility	5	5
	Total	80	80

Source: Primary data

Table 3: Are You Satisfied With The Working Environment Provided By The Company ?

S.N	Contents	LIC	HDFC SLIC
1	Yes	30	65
2	No	50	15
	Total	80	80

Table 4: Are You Satisfied With The Incentive Plans Made By The Company ?

S.N	Contents	LIC	HDFC SLIC
1	Strongly Agree	58	15
2	Agree	22	19
3	Moderate	-	21
4	Disagree	-	16
5	Strongly disagree	-	19
	Total	80	80

Source: Primary data

Table 5: Analyze the Factors Which Are Responsible for Work Overload.

S.N	Contents	LIC	HDFC SLIC
1	Co-workers are inefficient	32	13
2	Cannot consult with worker	2	34
3	Complete work at home	5	10
4	Shortage of help	41	23
	Total	80	80

Source: Primary data

Table 6: Which of the Following Gives Maximum Stress ?

S.N	Contents	LIC	HDFC SLIC
1	Work overload	34	39
2	Work under load	-	16
3	Time pressure	15	20
4	Health	31	5
5	Total	80	80

Source: Primary data

Table 7: Analyze the Stress Level of Employees on the Basis of These Factors

S.N	Contents	LIC	HDFC SLIC
1	Work load	15	35
2	Time pressure	10	12
3	Promotion	19	25
4	Salary	11	8
5	Pension	25	0
	Total	80	80

Source: Primary data

Table 8: Table of Life Insurance Corporation of India

S.N	Contents	Observed Frequency	Expected Frequency	O-E	$(O-E)^2$	$(O-E)^2/E$
1	Work load	15	16	-1	1	0.062
2	Time pressure	10	16	-6	36	2.25
3	Promotion	19	16	3	9	0.56
4	Salary	11	16	-5	25	1.56
5	Pension	25	16	9	81	5.06
	Total				152	9.49

Table 9: HDFC Standard life Insurance Company Limited

S.N	Contents	Observed Frequency	Expected Frequency	O-E	$(O-E)^2$	$(O-E)^2/E$
1	Work load	35	16	19	361	22.56
2	Time pressure	12	16	-4	16	1
3	Promotion	25	16	9	81	5.06
4	Salary	8	16	-8	64	4
5	Pension	0	16	-16	256	16
	Total				778	48.62

Table 10: Life Insurance Corporation of India

S.N	Contents	Observed Frequency	Expected Frequency	O-E	$(O-E)^2$	$(O-E)^2/E$
1	Excellent	35	16	19	361	22.5
2	Above Average	18	16	2	4	0.25
3	Average	15	16	1	1	0.06
4	Below Average	18	16	2	4	0.25
5	Unsatisfactory	4	16	12	144	9
	Total				514	23.06

Table 11: HDFC Standard life Insurance Company Limited

S.N	Contents	Observed Frequency	Expected Frequency	O-E	$(O-E)^2$	$(O-E)^2/E$
1	Excellent	14	16	2	4	0.25
2	Above average	22	16	6	36	2.25
3	Average	40	16	24	576	36
4	Below average	4	16	12	144	9
5	Unsatisfactory	0	16	16	256	16
	Total				1016	63.5