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## A study on the exploration of stress management strategies in the banking sector

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### Abstract

The purpose of this research is to conduct a comprehensive study into the successful strategies that are utilised to alleviate stress in the workplace, with a particular emphasis on the significant topic of stress management in the Indian banking sector. Because of the numerous obstacles that the banking industry must contend with, such as regulatory frameworks, volatile markets, and performance standards, it is essential that stress awareness and management be effectively prioritised. This study employs a comprehensive research technique in order to discover and assess stress management strategies that have been specifically tailored for the banking industry in India. This study is to examine the efficiency of the procedures that are currently in place. Discovering major insights that can improve academic research and enable the development of solutions that are focused and practically applicable is the purpose of this endeavour. In a nutshell, the conclusions of this study have the potential to improve the welfare of employees, nurture a more positive work atmosphere, and boost the steadily growing prosperity of the banking sector in India.

**Keywords:** Indian banking sector, employee well-being, organizational resilience, stress management strategies, workplace stress

### Introduction

Considering the fact that the Indian banking industry is in a state of perpetual change, the pursuit of organisational resilience and employee well-being has taken on a higher significance. The complexity of this ever-evolving industry, which includes stringent regulatory systems and the ongoing volatility of financial markets, presents workers in the banking industry with an inherent problem that stems from the sector's inherent complexity. In light of the fact that stress management in the workplace is of the utmost importance, the objective of this study is to carry out a comprehensive investigation into the various stress management tactics that are utilised in the banking industry in India. Because it has far-reaching implications for employees' job satisfaction, mental well-being, and overall organisational sustainability and performance, effective stress management is an essential component of organisational psychology. This is because of the vast ramifications that stress management has. In light of the specific challenges that banking professionals are confronted with; it is absolutely necessary to conduct a thorough investigation of the difficulties they encounter and the solutions that have been put into place to address them. Our research not only makes a contribution to the existing body of literature on stress management in the Indian banking sector, but it also aims to provide valuable insights that can be used to inform the development of targeted interventions designed to enhance the resilience and development of the workforce in this essential industry.

### Stress management strategies

Banks implement a range of stress management measures to improve the overall performance of the company and support the well-being of their employees. Standard stress management strategies used by banks and other financial institutions are as follows:

- Banks offer financial assistance for training and development programmes that attempt to improve the skills and competencies of their staff, therefore reducing the stress caused by feelings of inadequacy and unpreparedness for assigned tasks.
- **Wellness Programmes:** Wellness programmes enhance the physical and mental well-being of employees while also reducing stress levels and promoting a healthier work environment. These programmes encompass exercise programmes, health screenings, and mindfulness workshops, among other activities.

- **Establishing effective communication channels:** Staff members who have access to information regarding organisational changes, anticipated difficulties, and expectations are better equipped to manage stress. Clarity reduces worries and doubts.
- **Performance recognition and awards:** Recognising the accomplishments and hard work of employees enhances morale and reduces the stress related to job dissatisfaction. Efficient implementation of task delegation and burden distribution measures can successfully alleviate the stress and burnout that can result from excessive workloads. Establishing explicit expectations and feasible timeframes enhances the cultivation of a more balanced equilibrium between work and personal life.
- **Supportive Leadership:** An essential aspect of stress management is the existence of competent leadership that exhibits empathy towards the difficulties encountered by personnel and offers assistance. Leaders who directly address difficulties, provide support, and promote open communication foster positive corporate cultures.
- **Conflict Resolution Programmes:** Implementing efficient conflict resolution protocols enables the management of interpersonal issues that may lead to tension. Timely resolution of problems reduces their escalation and fosters a positive work atmosphere.
- **Mental Health Resources:** Providing employees with mental health resources, like counselling services or workshops, demonstrates an understanding of the importance of mental well-being and equips them with the skills needed to handle stress and overcome difficulties.
- **Technology and Workspace Optimisation:** Providing staff with modern technology and a comfortable workspace helps reduce stress caused by inefficient equipment or uncomfortable working conditions.
- Time management training programmes address employees' concerns about time limitations by teaching them strategies for efficient workload management, prioritising projects, and setting realistic goals.
- **Financial Wellness Programmes:** The issue of stress related to money is commonly seen. Banks may provide financial wellness initiatives to assist employees with activities such as budgeting, developing long-term objectives, and managing stress related to uncomfortable economic conditions.
- **Employee Assistance Programmes (EAPs):** Banks frequently provide discreet counselling and support services to employees dealing with personal or professional difficulties through Employee Assistance Programmes (EAPs). These programmes offer a variety of services, such as therapy, legal assistance, and financial advice.
- **Adaptable Workplace Policies:** Granting employees flexible work options, such as telecommuting or schedule modifications, facilitates efficient management of work and personal obligations, thus diminishing the strain linked to inflexible schedules.

### Literature Review

Klink *et al.*, (2001) <sup>[15]</sup> discovered that interventions have a considerable impact on employee performance. This quantitative meta-analysis sought to assess the effectiveness

of workplace stress-reduction measures on the targeted demographic. A total of 48 tests were carried out for this inquiry. The study encompassed cognitive behavioural therapies, relaxation techniques, multimodal programming, and organisational focussed interventions. Consequently, the four interventions yielded distinct outcomes. Cognitive behavioural and multimodal therapies demonstrated a moderate impact, relaxation techniques showed a very limited impact, and organization-oriented interventions had no discernible impact.

It is essential for managers and HR professionals to have a thorough comprehension of the theoretical underpinnings that support HR operations. Individuals should possess the ability to clearly define the underlying principles that justify human resources practices and establish the connection between those practices and the results they produce. Bowen and Ostroff, (2004) <sup>[11]</sup> investigated an assortment of human resources practices that extend beyond the actions of individuals. This objective was achieved through an assessment of the HRM system's effectiveness and an understanding of the interdependencies between HRM practices and the performance of the organisation. In spite of their preferred theoretical framework, the results of the study indicate that managers and HR professionals can benefit from cultivating greater degrees of cognitive complexity in their daily work.

Budhwar and Boyne, (2004) <sup>[2]</sup> performed study to compare the HRM techniques employed by public and private institutions in India. There were 137 manufacturing enterprises included in this study, with 81 from the public sector and 56 from the private sector. An internal labour market analysis was conducted to determine the extent of competition. The statistical analysis of the study indicated that the human resource management (HRM) methods employed by both public and private sector institutions in India were indistinguishable.

In their study, Marwat, Qureshi and Ramay, (2006) <sup>[9]</sup> examined several human resource management approaches employed by the telecommunications industry in Pakistan. This poll was conducted to identify the fastest developing industries, as they are constantly looking for ways to enhance their growth through employee performance. This study evaluated the impact of several strategies, including "Selection, training, career planning, compensation, performance appraisal, job definition, and employee participation", on employee performance. Correlation has been employed as a statistical methodology to assess the relationship. The findings indicated that there was a significant correlation between all variables, except for a few that were strongly associated with employee performance, such as compensation and training. Consequently, organisations must prioritise remuneration and training in order to guarantee maximum employee performance.

In an attempt to illustrate the potential impact of good HRM practices on organisational performance, Katou, (2013) <sup>[7]</sup> conducted a study that investigated the relationship between psychological contract fulfilment, HR practices, and organisational performance. The study suggests that employee motivation, dedication, and satisfaction play a crucial role in moderating the relationship between HR practices and organisational performance. This discovery suggests that the level of dedication exhibited by employees is enhanced by the level of dedication shown by employers

and the implementation of human resources policies. Consequently, the attitudes of employees have a favourable impact on the performance of the company and the fulfilment of employee obligations.

In their study, Qudah, Osman and Qudah, (2014) <sup>[10]</sup> conducted an examination to determine the influence of the human resource management (HRM) techniques employed by the Malaysian Skills Institute on the performance of its workers. An evaluation has been conducted on the influence of the three main procedures-recruitment, selection, and compensation-on employee performance. The correlation study revealed that the HRM strategies outlined before had a noteworthy impact on employee performance. There was a positive correlation between HRM practices and employee performance.

The primary aim of Hassan, (2016) <sup>[6]</sup> study is to create a comprehensive inventory of the current HRM practices utilised in the textile sector. The second aim is to determine the correlation between HRM practices and employee performance. The textile sector has aggressively implemented human resource management strategies such as "training and development, performance appraisal, career planning system, employee participation, and compensation system." The results of a multiple linear regression study indicated a strong and favourable association between HRM practices and employee performance. Specific recommendations relevant to this study have also been put forth by the researchers; in a similar vein, these attempts create a noticeable and beneficial impact. Hence, it is imperative to apply them in order for the company to accomplish its goals.

In this study, Reddy and Reddy, (2016) <sup>[8]</sup> examined several stress management techniques employed by the banking industry in Nellore Town. In addition, the researchers of the study seek to identify the diverse pressures that affect personnel in the financial business and provide possible solutions. The study involved conducting individual interviews with respondents to gather data. The participants, ranging in age from 23 to 60, were employed in the financial sector. The data evaluation involved the utilisation of the percentage approach and the Chi-Square test. The banking industry's workers identified role overload, role conflict, position ambiguity, lack of support, and new technology as significant concerns. In addition, it was determined that each employee utilised a distinct set of tactics to reduce stress, including participating in regular physical exercise, practicing self-relaxation techniques, adhering to a healthy diet, taking short breaks, and ensuring sufficient hydration.

To ascertain the following: firstly, the extent to which HR managers deem innovation in HR practices as indispensable for attaining organisational goals; secondly, the challenges faced by the banking sector; and thirdly, the outcomes of HRM and the ramifications of HRM innovation in HR practices. Singh and Sood, (2017) <sup>[12]</sup> conducted a study. A study listed a multitude of issues that the finance industry is currently facing. The researcher examined upcoming advancements in HR practices and the HR managers' plans to apply them in the company. Additionally, the researcher explored the impact of innovative HR practices on the organisation.

### Need of the study

The study of stress management strategies in the Indian

banking sector is crucial given the inherently demanding nature of the industry in India. The industry has numerous challenges, such as strict regulatory requirements, volatile markets, and high performance standards. Identifying and managing workplace tension is crucial for protecting the overall well-being of banking professionals and, as a result, enhancing their productivity and effectiveness. Moreover, given the distinctive characteristics of the Indian banking industry, it is necessary to conduct a comprehensive analysis of stress-reduction techniques that are specifically designed to address the particular obstacles encountered by experts in this field. The research findings have broad applicability, encompassing improvements in employee retention, satisfaction, and industry flexibility, as well as the promotion of ethical business practices, legal compliance, and the fostering of a supportive work environment. This study successfully fills an important need by providing data that can guide the creation of focused interventions and promote a workforce in the Indian banking sector that is more resilient and focused on well-being.

### Objective

To study various stress management strategies being followed by banking sector in India.

### Research Methodology

The objectives of this study are descriptive and explanatory. As both descriptive and explanatory research, this study casts light on the topic of stress management strategies.

### Sample Design

Employees of institutions in Haryana, both public and private, comprised the demographic of this study. Based on their market capitalization rates, the private sector banks "ICICI", "HDFC", and "Kotak Mahindra Bank" and the public sector banks "SBI", "PNB", and "Bank of Baroda" were selected. Clerks, officers, and managers were all participants in the study. Each participant was assured that the data they contributed would be treated with utmost confidentiality and solely utilised to advance the objectives of the research.

### Data Collection

Questionnaires were employed to collect primary data. For primary data collection, 600 questionnaires were distributed; 472 were returned, and 458 of those were designated valid.

### Tool for data Collection

In order to achieve this objective, modifications were made to the "Scale of HRM Practices" developed by Marwat *et al.*, (2006) <sup>[9]</sup> with the assistance of banking industry experts. The survey comprised twenty-five statements that covered an extensive array of stress management techniques.

### Data Analysis

Exploratory Factor Analysis (EFA) has been employed to identify many dimensions for stress management strategies through the grouping and summarization of various interconnected elements. Confirmatory factor analysis (CFA) is employed to validate whether the observed items in each case are indicative of the latent constructs they are intended to measure.

**Demographic of Sampled Respondents**

The (Table 1) revealed that the population was 58.5% male and 41.5% female (Table 1). Overall, 25.9% were '0-30', 24.8% '31-40', 29.1% '41-50', and 20.3% '51 & above'.

There were 77.1 percent married workers and 22.1 percent unmarried workers. 23.1 percent of employees were '0-5 years', 27.3 percent '6-10 years', 22.5 percent '11-15 years', 16.6 percent '16-20 years', and 10.7 percent '20 & above'.

**Table 1:** Demographic profile of respondents

Gender	Frequency	Percentage
Male	268	58.5
Female	190	41.5
Marital status	Frequency	Percentage
Married	353	77.1
Unmarried	105	22.9
Age Group	Frequency	Percentage
Below 30 yrs.	119	25.9
31-40 yrs.	114	24.8
41-50 yrs.	133	29.0
51 and above	92	20.3
Experience	Frequency	Percentage
Less than 5yrs	106	23.1
6-10 yrs.	125	27.3
11-15 yrs.	103	22.5
16-20 yrs.	76	16.6
21 and above	48	10.5

Source: Compiled after data analysis

**Exploratory factor analysis (EFA)**

**KMO and Bartlett's Test:** Prior to performing exploratory factor analysis, the Kaiser-Meyer-Olkin (KMO) test was utilised to confirm the suitability of the data for factor analysis. The KMO indicator value of 0.901 in the Table indicates that the sampling is sufficient, as stated by Hair (2019)<sup>[5]</sup>. A chi-squared value of 0.000 shows that there is a

statistically significant association between the different pairs of statements included in the questionnaire used to assess the stress management strategies employed by institutions. The specific chi-squared number is 7058.501.

**Principal Component Analysis (PCA)**

**Table 2:** Principal Component Analysis

Stress Management Strategies	Variables (Codes)	Factor loadings	Eigen values	% Variance explained
Training Strategies	SMS3	.728	4.644	18.576
	SMS8	.822		
	SMS13	.743		
	SMS18	.822		
	SMS20	.829		
	SMS24	.799		
	SMS22	.712		
Organisation Relaxation Strategies	SMS4	.769	4.531	18.122
	SMS9	.760		
	SMS14	.721		
	SMS19	.807		
	SMS23	.800		
	SMS25	.804		
Appraisal Strategies	SMS21	.739	2.950	11.802
	SMS2	.826		
	SMS7	.841		
	SMS12	.797		
Compensation Strategies	SMS17	.850	2.825	11.299
	SMS1	.778		
	SMS6	.789		
	SMS11	.808		
Self-relaxation Strategies	SMS16	.797	2.618	10.473
	SMS5	.866		
	SMS10	.869		
	SMS15	.809		

The eigen values of these five factors are greater than 1 and Factor loadings of all the items measuring the factors affecting stress are greater than 0.5. Shows satisfactory results of the study. PCA analysis reveals that 70.272% of the total variance can be explained.

**Confirmatory Factor Analysis:** The scale used to measure stress management strategies was also put through confirmatory factor analysis (CFA) to look at the resulting components in order to make sure the scale was reliable and to validate the factors found in EFA.



**Table 3:** Reliability and Convergent Validity

Constructs	Cronbach's alpha	Composite reliability (CR)	Average variance extracted (AVE)
AS	0.876	0.878	0.643
CS	0.862	0.862	0.619
ORT	0.904	0.901	0.57
SRT	0.873	0.874	0.7
TS	0.918	0.916	0.613

The Cronbach alpha of all the stress management strategies followed by banks included in the measurement scale is found to be greater than 0.7 (Appraisal Strategies = 0.876, Compensation Strategies = 0.862, Organisation Relaxation Techniques = 0.904, Self-Relaxation Techniques = 0.873,

Training Strategies = 0.918). The measurement's construct validity was examined with the help of Average Variance Extracted (AVE) and Composite Reliability (CR). It was discovered that all of the components have CR and AVE values more than 0.7 and 0.5 Hair, (2019)<sup>[5]</sup>.

**Table 4:** Discriminant Validity

HTMT ratio for discriminant validity					Fornell Larcker criteria for discriminant validity					
	AS	CS	ORT	SRT	TS	AS	CS	ORT	SRT	TS
AS					AS	0.802				
CS	0.293				CS	0.299	0.787			
ORT	0.197	0.447			ORT	0.197	0.446	0.755		
SRT	0.348	0.367	0.258		SRT	0.355	0.365	0.267	0.836	
TS	0.357	0.449	0.429	0.336	TS	0.359	0.454	0.433	0.347	0.783

The discriminant validity of the measurement scale was also examined with the help of Fornell Larcker criteria and HTMT ratio. The results of Fornell Larcker criteria indicates that the square root of the AVE of each factor is found greater than its correlation with remaining factors. Further, the HTMT ratio for all pairs of constructs is less than 0.8. Both the values were found significant.

#### Statistical fitness of the measurement model

The statistical fitness of the measurement model is also evaluated. The overall model's the Goodness of Fit Index (GFI), the Comparative Fit Index (CFI), the Tucker Lewis Index (TLI), Normed Fit Index (NFI) and the Root Mean Square Error of Approximation (RMSEA) were used to assess the model. The result of the statistics fitness of the model is shown in Table 5.

**Table 5:** Statistical Fitness Index

Goodness of fitness indices	CMIN/DF	Goodness of fit index (GFI)	Comparative fit index (CFI)	NFI	Tucker-Lewis's index (TLI)	Root Means Square error of approximation (RMSEA)
Measurement Model	2.651	.878	.937	.902	.928	.060
Acceptable range	1-5	> .80	> 0.90	> 0.80	> 0.90	< 0.08
	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable

Since, all the parameters are in Acceptable range, it can be concluded that the measurement model is statistically fit and the conclusion made in the study can be generalized for the population.

#### Conclusion

Essentially, banks are using diverse stress management strategies. Exploratory Factor Analysis facilitates the categorization of these strategies into five distinct areas. This accounts for 70.272% of the overall variance. The variance of the following techniques is explicitly accounted for: Training techniques (18.576%), Organisation Relaxation Strategies (18.122%), Appraisal Strategies (18.122%), Compensation Strategies (11.299%), and Self-Relaxation Strategies (10.473%). Confirmatory Factor Analysis is subsequently employed to validate these factors.

This study provides valuable fresh perspectives on the intricate correlation between occupational stress and the well-being of banking professionals, specifically by examining stress management techniques within the Indian banking industry. Ultimately, the study emphasises the importance of cultivating a favourable work environment in the Indian banking sector, where implementing stress management techniques is vital for sustaining both personal and organisational achievements.

#### Limitations of the study

Future research studies will need to include multiple cross-sections in order to derive more valid conclusions, as this study's major flaw. This area of study should be continued, preferably longitudinally, not only in the banking sector but also in other sectors, and not only in Haryana but in other states as well. Human resource professionals can benefit from the study's findings regarding the obstacles that must be overcome to achieve higher Employee Performance and Organisational performance as well. The results of the study also provide recommendations for businesses seeking to maintain their competitive advantage by creating an employee friendly workplace for their employees.

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