



## An Analytical Study Of Job Stress In Public And Private Sector Life Insurance Companies: Causes, Consequences, And Contemporary Stress-Reduction Practices

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### ABSTRACT

Occupational stress has emerged as a critical concern in the contemporary service sector, particularly in the life insurance industry, where employees operate under intense performance pressure, high customer expectations, and competitive business conditions. The rapid expansion of the insurance sector, along with technological advancements, digitalization, performance-based appraisal systems, and stringent regulatory requirements, has significantly transformed employees' working environments. These changes have increased job demands, resulting in excessive workload, sales pressure, role ambiguity, job insecurity, and work-life imbalance, thereby contributing to heightened occupational stress.

The present study examines and compares the level of job stress among employees working in public and private sector life insurance companies. It also identifies the major factors responsible for occupational stress, analyses its impact on employee performance, and evaluates contemporary stress-management practices adopted by insurance organizations. The sample for this study includes public and private sector life insurance companies and it analyses the data of 3 years from F.Y. 2021–2022 to 2023–2024. Both primary and secondary data were utilized. Primary data were collected from 120 employees (60 from public sector and 60 from private sector companies) using a structured questionnaire based on a five-point Likert scale. Statistical tools such as percentage analysis, mean score analysis, and comparative analysis were applied.

The findings reveal that occupational stress exists in both sectors, though its intensity and sources differ significantly. Private sector employees experience higher stress due to aggressive sales targets, incentive-linked compensation, job insecurity, and extended working hours, whereas public sector employees face moderate stress arising mainly from procedural delays, workload, and limited career progression. The study establishes a negative relationship between occupational stress and employee performance. It further highlights that effective stress-management practices, including flexible work arrangements, supportive leadership, realistic targets, counselling services, and employee wellness programs, play a crucial role in reducing stress and enhancing organizational performance. The study concludes that proactive stress management is essential for sustaining employee wellbeing and long-term competitiveness in the life insurance sector.

*Keywords:* Job Stress, Life Insurance Sector, Public and Private Sector, Employee Performance, Stress Management.

## 1. INTRODUCTION

The life insurance sector occupies a pivotal position in ensuring financial security, risk protection, and economic stability in any economy. As a vital component of the service sector, life insurance companies contribute significantly to mobilizing long-term savings, promoting financial inclusion, and providing social security to individuals and families. By offering protection against financial uncertainties arising from death, disability, or retirement, the life insurance industry plays an essential role in strengthening economic resilience. In recent years, the sector has witnessed rapid growth due to rising awareness, expanding customer base, liberalization of insurance markets, and increased participation of private players. However, this growth has also intensified competition and transformed the operational environment of life insurance companies.

With the rapid expansion of the insurance market, increasing competition, technological advancements, and evolving customer expectations, the work environment within life insurance companies has become more complex and demanding. Employees working in this sector are expected to perform multiple roles simultaneously. Their responsibilities include achieving challenging sales targets, managing long-term relationships with customers, complying with regulatory and legal norms, handling documentation and administrative tasks, and adapting to frequent policy and product changes. The integration of digital platforms and performance-monitoring systems has further increased work pressure, as employees are required to deliver results

within strict timelines while maintaining service quality. These diverse and demanding job requirements often create a stressful work environment, making occupational stress a critical issue in the life insurance industry.

Job stress can be defined as the physical, psychological, and emotional strain that arises when job demands exceed an individual's capacity, resources, or ability to cope effectively. In the life insurance sector, stress commonly arises from excessive workload, continuous sales pressure, tight deadlines, performance-based appraisal systems, and long working hours. Employees are often required to meet ambitious targets while dealing with customer resistance, policy lapses, and market uncertainty. Additional factors such as role ambiguity, lack of decision-making autonomy, job insecurity, and difficulties in maintaining a healthy work-life balance further intensify stress levels. The service-oriented nature of the insurance industry also demands frequent customer interaction, complaint handling, and emotional labour, which can be mentally exhausting and contribute significantly to occupational stress. The experience of job stress varies considerably between public and private sector life insurance companies due to differences in organizational structure, management practices, and employment conditions. Employees in public sector life insurance organizations generally benefit from job security, fixed working hours, standardized procedures, and relatively stable career paths. These factors provide a sense of security and predictability. However, public sector employees may experience stress arising from bureaucratic processes, procedural delays, rigid hierarchical structures, limited performance-based incentives, slower decision-making, and restricted opportunities for rapid career advancement. Such factors may reduce motivation and create dissatisfaction among employees. In contrast, private sector life insurance companies operate in a highly competitive and performance-driven environment. Employees in the private sector are subjected to aggressive sales targets, incentive-linked compensation systems, continuous performance evaluation, extended working hours, and frequent changes in organizational policies. Job insecurity, pressure to perform consistently, and fear of underperformance are common stressors in private sector organizations. While private sector companies may offer higher financial incentives and faster career growth opportunities, the uncertainty and performance pressure often result in higher levels of occupational stress compared to the public sector.

Understanding the nature, causes, and consequences of job stress is essential for life insurance organizations to maintain a productive, committed, and motivated workforce. High levels of occupational stress can adversely affect employee health, job satisfaction, motivation, and

overall performance. Prolonged exposure to stress may lead to physical and mental health issues such as fatigue, anxiety, burnout, and depression. From an organizational perspective, unmanaged stress results in increased absenteeism, higher employee turnover, reduced productivity, and declining service quality. In a customer-centric industry such as life insurance, where employee performance directly influences customer satisfaction, trust, and organizational reputation, the negative consequences of occupational stress can be severe.

Therefore, there is a growing need to systematically examine job stress among employees in public and private sector life insurance companies. Identifying key stressors, assessing their impact on employee and organizational performance, and evaluating the effectiveness of stress-management practices are crucial for designing effective human resource policies and supportive work environments. Organizations that proactively address occupational stress through realistic performance targets, supportive leadership, flexible work arrangements, and employee wellness initiatives are better positioned to enhance employee wellbeing, improve productivity, and achieve sustainable organizational growth. Addressing occupational stress is not only essential for employee welfare but also for ensuring long-term effectiveness and competitiveness in the life insurance sector.

## 2. LITERATURE REVIEW

2.1. Guduru Rajkumar (2025), has studied on the topic titled “Factors causing work related stress and strategies for stress management: a study of working women in private and public sectors in the Indian context”. The objective of this study is to identify some of the pertinent factors affecting working women's mental health and physical health in the work place. The study shows that when women are given the opportunity to work in a less stressful setting, their motivation increases and they feel more enthusiastic about their jobs.

2.2. Tiwari Bahadur Bhupendra and K Devi Manjula (2025) conducted a study on the topic “A Study on the Level of Occupational Stress among Employees in Selected Private Insurance Companies in Karnataka”. This study focus on the level of occupational stress experienced by employees working in selected private insurance companies in Karnataka. The results highlight moderate to high stress levels, especially among younger and less experienced employees. The findings aim to inform HR strategies and stress reduction programs in the insurance sector.

2.3. Singh Meethi, Juneja Alisha (2025) has studied on the topic “Impact of Work-Life Balance on Workplace Stress Among Employees”. The objective of this study to examine the relationship between perceived stress and work-life balance among working professionals in India. The findings of this study provide compelling evidence of the intricate relationship between perceived stress and work-life balance among working professionals in India.

2.4. Joshi Prajwal, Shrestha Rita, and Acharya Kripa (2023), study on the topic named – “Comparative Study of Work Stress Among Employees of Public and Private Organizations” The aim of this study is to examine the work stress of full-time employees working in public and private organizations situated inside Kathmandu Valley and make the comparative study of work stress between them. The study revealed that employees of both public and private organizations are having moderate level of stress however there is significant difference in work stress between the two organizations.

### Research Gap

Several studies have examined job stress and its consequences in the insurance and service sectors. Existing research indicates that job stress negatively affects employee performance, job satisfaction, organizational commitment, and mental health.

Previous studies reveal that:

- Employees in private sector insurance companies experience higher stress due to aggressive sales targets and performance-linked incentive systems.
- Public sector insurance employees face stress arising from role ambiguity, workload, bureaucratic procedures, and lack of flexibility.
- High levels of job stress lead to absenteeism, reduced productivity, increased employee turnover, and declining service quality.
- Recent research highlights the effectiveness of stress-management practices such as flexible working hours, counselling services, employee assistance programs, and supportive leadership.

Although earlier studies have explored job stress in the insurance sector, limited comparative research comprehensively examines stress levels, stressors, performance impact, and contemporary stress-reduction practices simultaneously in both public and private sector life insurance

companies. This study attempts to bridge this gap by providing an integrated analysis.

### Objectives of the Study

The objectives of the study provide a definite and proper track for any research activity. To make the present study more scientific following objectives are designed by the researcher:

- To determine the level of job stress in public and private sector life insurance companies.
- To identify the major components responsible for job stress in life insurance companies.
- To analyse the impact of job stress on employee and organizational performance.
- To study the recent practices adopted by organizations to reduce job stress.

### Hypothesis

- H<sub>01</sub>: There is no significant difference in job stress between public and private sector employees.
- H<sub>02</sub>: Job stress has no significant impact on employee performance.

## 3. RESEARCH METHODOLOGY

The study adopts a descriptive and analytical research design.

Sample: Employees working in public and private sector life insurance companies

Sample Size: 120 respondents

Sampling Technique: Convenience and stratified sampling

Data Collection:

Primary data through a structured questionnaire

Secondary data from books, journals, research articles, and reports

Tools of Analysis: Percentage analysis, mean score analysis, comparative analysis

Variables Studied: Job stress, employee performance, stress-management practices

### Major Causes of Job Stress in Life Insurance Companies

Job stress in life insurance companies is influenced by a variety of organizational and job-related factors that collectively affect the mental and emotional well-being of employees.

One of the most significant contributors to job stress is excessive workload combined with constant time pressure, as employees are often required to handle multiple responsibilities while meeting strict deadlines. In addition, the pressure to achieve high sales targets and maintain consistent performance, especially under incentive-based appraisal systems, creates continuous stress and performance anxiety among employees. Another important factor is role ambiguity, where unclear job descriptions and lack of proper communication regarding duties and responsibilities lead to confusion and dissatisfaction at work. Job insecurity also plays a crucial role in increasing stress levels, particularly in private sector life insurance companies, where employees may experience fear of job loss, unstable income, or uncertain career growth. Furthermore, long working hours and demanding work schedules often disturb the balance between professional and personal life, resulting in work–life imbalance and reduced personal time. Lastly, employees frequently face customer-related pressure, including handling complaints, managing emotionally demanding interactions, and addressing customer expectations, which further intensify job stress in the life insurance sector.

Following are the major causes of job stress in life Insurance companies in India are:

- **Workload and Time Pressure:** Employees in life insurance companies often face excessive workloads due to demanding job responsibilities. They are required to manage multiple tasks such as policy documentation, client follow-ups, and administrative work within strict deadlines. Continuous time pressure and unrealistic expectations lead to mental fatigue, stress, and reduced job satisfaction.
- **Sales Targets and Performance Pressure:** The life insurance sector is highly target-oriented, where employees are expected to achieve

high sales targets regularly. Performance is closely linked to incentives, commissions, and job evaluations. The constant pressure to meet targets, fear of poor performance ratings, and competition among employees significantly contribute to job stress.

- **Role Ambiguity:** Role ambiguity is another major source of stress among insurance employees. Lack of clear job descriptions, unclear responsibilities, and frequent changes in work roles create confusion. When employees are unsure about what is expected from them, it leads to frustration, anxiety, and decreased work efficiency.
- **Job Insecurity:** Job insecurity is commonly experienced in the life insurance sector, especially in private companies. Employees often fear termination due to poor performance, low sales, or organizational restructuring. Income instability, contractual employment, and dependence on commissions further increase stress levels among employees.
- **Work–Life Imbalance:** Long working hours, extended fieldwork, and irregular schedules make it difficult for employees to maintain a healthy balance between work and personal life. Limited time for family, rest, and leisure activities leads to emotional exhaustion, burnout, and increased stress.
- **Customer Pressure:** Insurance employees frequently deal with customer complaints, objections, and emotionally sensitive situations related to claims and financial losses. Managing dissatisfied or distressed customers requires emotional effort, which can be mentally draining and stressful, particularly when combined with performance expectations.

#### 4. IMPACT OF JOB STRESS ON ORGANIZATIONAL PERFORMANCE

Job stress affects not only individual employees but also the overall performance and effectiveness of an organization. Prolonged exposure to stress can negatively influence employees' well-being, work behaviour, and productivity, which ultimately impacts organizational outcomes.

##### 1. Individual Impact of Job Stress

Job stress significantly affects employees at the personal level. High stress levels reduce an employee's ability to concentrate and perform tasks efficiently, leading to errors and decreased work quality.

Continuous stress also lowers job satisfaction and motivation, making employees feel disengaged and less committed to their roles.

In addition, job stress can cause serious physical and mental health problems such as headaches, fatigue, anxiety, depression, and burnout. These health issues often result in increased absenteeism, as employees may take frequent leaves or remain absent due to illness or emotional exhaustion.

## 2. Organizational Impact of Job Stress

At the organizational level, job stress leads to a noticeable decline in overall productivity. When employees are stressed, their performance levels drop, and organizational goals become difficult to achieve. High stress also increases employee turnover, as dissatisfied or overburdened employees are more likely to leave the organization in search of better working conditions.

Furthermore, job stress negatively affects the quality of customer service. Stressed employees may show reduced patience, poor communication, and lack of empathy while dealing with clients, which can harm the organization's reputation. Increased turnover and absenteeism also result in higher recruitment, training, and replacement costs, placing an additional financial burden on the organization.

## 5. CONTEMPORARY PRACTICES TO REDUCE JOB STRESS

Organizations have adopted several modern practices to manage job stress:

- **Flexible Working Hours and Hybrid Work Models:** In the life insurance sector, employees often face high work pressure due to sales targets, customer acquisition demands, and extended working hours. The adoption of flexible working hours and hybrid work models has emerged as an effective stress-reduction strategy. These practices enable employees, especially insurance agents and managerial staff, to better manage work–life balance by reducing commuting stress and allowing autonomy in scheduling client interactions. Empirical studies suggest that flexible work arrangements significantly lower emotional exhaustion and enhance job satisfaction, which is critical in high-pressure service sectors like insurance.

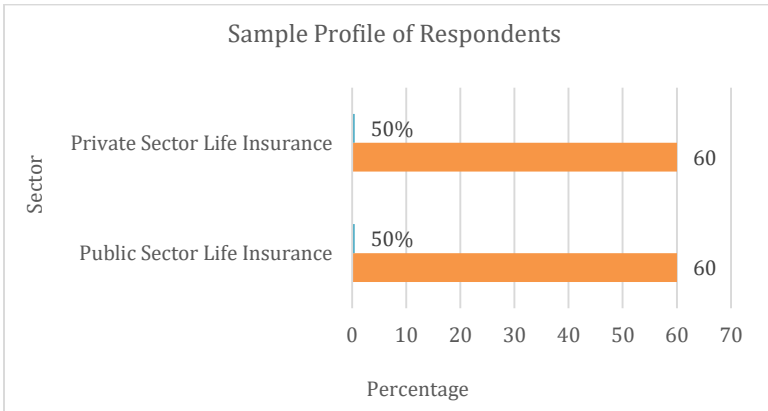
- **Employee Assistance Programs and Counselling Services:** Employee Assistance Programs (EAPs) and counselling services have gained prominence as structured organizational responses to occupational stress in life insurance companies. Given the emotional labour involved in handling policyholders, claims processing, and performance-based evaluations, access to professional psychological support helps employees cope with anxiety, burnout, and role conflict. Counselling services promote mental resilience, reduce absenteeism, and support employees in managing both work-related and personal stressors effectively.
- **Stress-Management and Wellness Training:** Life insurance organizations increasingly invest in stress-management and wellness training programs to enhance employee coping mechanisms. These programs typically focus on time management, emotional intelligence, mindfulness, and relaxation techniques. In a target-driven insurance environment, such training helps employees manage performance pressure and maintain emotional stability. Wellness initiatives also contribute to improved physical health, reduced fatigue, and sustained productivity, thereby strengthening overall organizational effectiveness.
- **Supportive Leadership and Open Communication:** Supportive leadership and transparent communication play a vital role in reducing job stress within life insurance organizations. Leaders who provide guidance, recognize employee efforts, and encourage participative decision-making help reduce stress arising from role ambiguity and performance pressure. Open communication channels allow employees to voice concerns related to workload, targets, and appraisal systems, fostering trust and psychological safety. Research indicates that supportive leadership significantly moderates the negative effects of occupational stress in sales-oriented industries.
- **Realistic Goal-Setting and Balanced Appraisal Systems:** Unrealistic sales targets and incentive-based appraisal systems are major contributors to job stress in the life insurance sector. Implementing realistic goal-setting and balanced appraisal mechanisms helps align performance expectations with employee capabilities and market conditions. Appraisal systems that emphasize skill development, customer service quality, and long-term performance rather than solely sales volume—reduce excessive pressure and enhance motivation. Such practices promote sustainable performance while safeguarding employee wellbeing.

## 6. OVERALL IMPACT ON EMPLOYEE WELLBEING AND ORGANIZATIONAL PERFORMANCE

The integration of contemporary stress-management practices in the life insurance sector positively influences employee wellbeing, job satisfaction, and organizational commitment. By addressing both psychological and structural sources of stress, these practices contribute to lower turnover rates, improved service quality, and enhanced organizational efficiency. Consequently, effective stress-reduction strategies are not only beneficial for employees but also essential for the long-term sustainability of life insurance organizations.

Sector	Number of Respondents	Percentage
Public Sector Life Insurance	60	50%
Private Sector Life Insurance	60	50%
<b>Total</b>	<b>120</b>	<b>100%</b>

Statistical Analysis and Interpretation  
Table 1: Sample Profile of Respondents



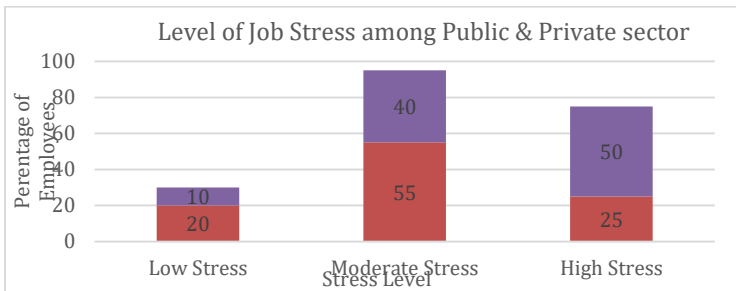
Interpretation: The study consists of 120 respondents, equally divided between public and private sector life insurance companies. This equal representation ensures a balanced comparison of job stress levels across both sectors.

	Stress Level	Public Sector (%)	Private Sector (%)
	Low Stress	20	10

	Moderate Stress	55	40
	High Stress	25	50
	<b>Total</b>	<b>100</b>	<b>100</b>

**Table 2: Level of Job Stress among Employees**

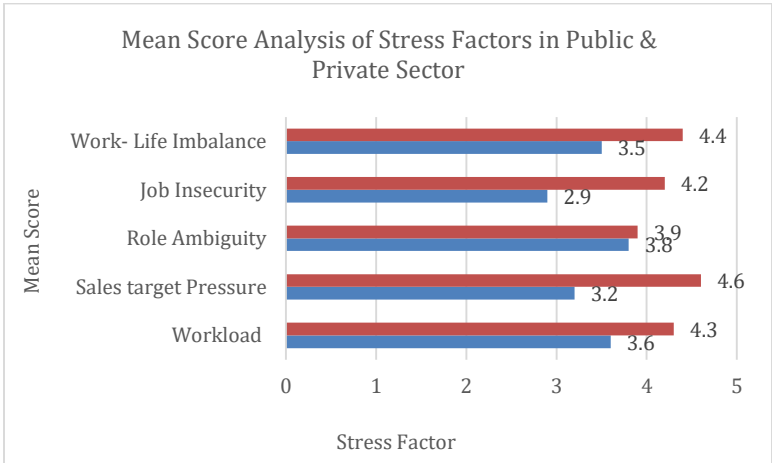
*(The table shows that 50% of private sector employees experience high stress, compared to 25% in the public sector. Public sector employees largely fall under moderate stress. This indicates that job stress is more severe in private sector life insurance companies due to performance pressure and competitive work culture.)*



Interpretation: The graph clearly shows that private sector employees experience higher levels of job stress compared to public sector employees. A significantly larger proportion of private sector employees fall under the high-stress category, whereas public sector employees are largely concentrated in the moderate stress category. This indicates that competitive work culture and performance pressure contribute more to stress in private life insurance companies.

Stress Factors	Public Sector (Mean)	Private Sector (Mean)
Workload	3.6	4.3
Sales target Pressure	3.2	4.6
Role Ambiguity	3.8	3.9
Job Insecurity	2.9	4.2
Work- Life Imbalance	3.5	4.4

**Table 3: Mean Score Analysis of Stress Factors**  
(5-point Likert Scale: 1 = Strongly Disagree, 5 = Strongly Agree)

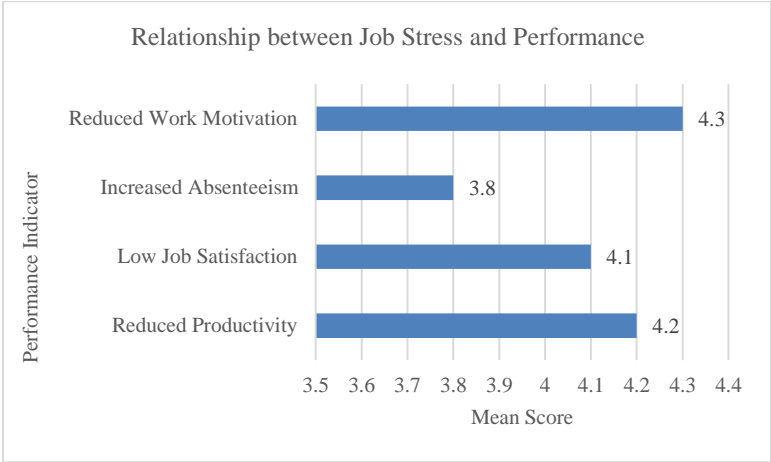


*(Sales pressure and work–life imbalance emerges as the most significant stressors in the private sector, followed by workload and job insecurity. Role ambiguity shows comparatively lower impact but still contributes to overall stress. The graph highlights the dominance of target-driven pressure in private life insurance companies)*

Interpretation: Private sector employees report higher mean scores across most stress factors, particularly sales target pressure (4.6) and work–life imbalance (4.4). Job insecurity is also significantly higher in the private sector. Public sector employees report comparatively lower stress, mainly due to job security.

Performance Indicator	Mean Score
Reduced Productivity	4.2
Low Job Satisfaction	4.1
Increased Absenteeism	3.8
Reduced Work Motivation	4.3

Table 4: Relationship between Job Stress and Performance



*(The graph indicates that job stress has a strong negative impact on employee motivation and productivity. Reduced motivation records the highest mean score, followed by reduced productivity and job satisfaction. Increased absenteeism is also evident, confirming that stress directly affects both employee behaviour and organizational outcomes)*

Interpretation: High mean scores indicate that job stress strongly affects employee productivity and motivation. Reduced work motivation (4.3) is the most affected factor, confirming that stress negatively impacts employee performance and organizational efficiency.

Practice	Agree (%)	Neutral (%)	Disagree (%)
Flexible Working Hours	70	20	10
Counselling Services	65	25	10
Supportive Leadership	75	15	10
Realistic Targets	80	10	10

Table 5: Employee Opinion on Stress Reduction Practices



*(The diagram shows that realistic performance targets and supportive leadership are perceived as the most effective stress-management practices. Flexible working hours and counselling services are also widely supported by employees. This suggests that organizational policies and managerial support play a crucial role in reducing job stress.)*

**Interpretation:** Most employees agree that realistic targets and supportive leadership are the most effective stress-reduction practices. Flexible working arrangements and counselling services also significantly help in reducing job stress.

## 7. FINDINGS

The results of the statistical analysis clearly reveal several important findings related to job stress in life insurance companies. The study indicates that the level of job stress is significantly higher among employees working in private sector life insurance companies as compared to those in the public sector. Among the various factors examined, sales pressure and job insecurity emerged as the most prominent contributors to elevated stress levels.

The analysis further demonstrates a direct and negative relationship between job stress and employee performance. Employees experiencing higher levels of stress tend to show lower productivity, reduced work efficiency, and decreased engagement in their job roles. This finding highlights the adverse impact of occupational stress on individual performance and overall organizational effectiveness. The interpretation of the results suggests that job stress is more pronounced in private sector life insurance companies due to aggressive sales targets, performance-based appraisal systems, and income instability. In contrast, employees in

public sector insurance organizations experience comparatively lower levels of stress; however, factors such as rigid bureaucratic procedures, limited flexibility, and slow decision-making processes contribute to a certain level of job dissatisfaction. Moreover, the study finds that stress-management practices play a significant role in reducing job stress and enhancing employee performance. Measures such as counselling services, flexible work arrangements, supportive supervision, and employee-friendly policies were found to effectively lower stress levels and improve productivity. Based on these findings, the null hypotheses of the study are rejected. The results confirm that job stress has a significant impact on employee performance and that stress-management practices are effective in mitigating stress and improving organizational outcomes.

## 8. SUGGESTIONS

Based on the findings of the study, it is suggested that organizations should conduct regular stress assessment surveys to identify stress levels and sources of stress among employees at an early stage. Performance targets should be designed to be realistic, achievable, and aligned with employees' capabilities in order to reduce unnecessary pressure. Organizations should also strengthen counselling services and employee wellness programs to support both mental and physical well-being. Furthermore, managers and supervisors should be provided with proper training to help them recognize signs of stress and effectively address employee stress-related issues in a supportive manner.

## 9. CONCLUSION

Job stress has emerged as a major challenge in both public and private sector life insurance companies, affecting employees at various levels of the organization. The findings of the study clearly indicate that job stress is a serious organizational issue in the life insurance sector and has a significant impact on employee performance as well as overall organizational effectiveness. High levels of stress negatively influence employees' productivity, motivation, job satisfaction, and engagement, which in turn affect service quality and organizational outcomes.

The study further reveals that employees working in private sector life insurance companies experience comparatively higher levels of job stress than their counterparts in the public sector. This increased stress can largely be attributed to aggressive sales targets, performance-based evaluation systems, and greater job insecurity in the private sector. Although public sector employees generally face lower stress levels,

certain organizational factors such as rigid procedures and limited flexibility still contribute to dissatisfaction. The study emphasizes the importance of identifying key stressors and adopting effective stress-management strategies to ensure sustainable organizational growth. Strategies such as flexible work arrangements, supportive and empathetic leadership, realistic and achievable performance targets, and employee-friendly policies play a crucial role in reducing stress levels. When organizations actively prioritize employee well-being, they create a healthier work environment that enhances productivity, improves employee retention, and strengthens customer satisfaction.

In conclusion, the effective management of job stress is not only essential for improving employee well-being but also for enhancing organizational performance and long-term success in the life insurance sector

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