

Impact of Work Stress on Employee Productivity: A study with Reference to LIC of India in Dakshina Kannada District

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ABSTRACT

Employee productivity is very essential for the growth and success of the life insurance company in today's global competitive environment. Improving employee productivity has been one of the most important objectives of life insurance sector. This is because increased levels of employee productivity provide an organisation and its employees with various benefits. Therefore, this part of the study will measure the productivity of employees working in the life insurance sector. The paramount objectives of this study are to investigate the impact of work stress on the perceived level of productivity of employees working in the life insurance company of India. Work stress is a universal factor and employees from nearly every walk of life have to face stress. Employers today critically analysed the stress management issues that contribute to reduce job performance and productivity of employees ultimately affecting organisational goals and objectives. The Performance of an employee in the workplace is a point of success for all the organisations, irrespective of all the factors and conditions. Consequently, the employees are considered to be very precious asset for their organisation.

Key words: Work Stress, Productivity, Life Insurance, organization and job performance

INTRODUCTION

The concept of stress is an old one. Its experience is not limited to a specific time period. It is a sensation, which is as old as human life. From the birth till death, an individual experiences different types of hazards in their life. In the present era, human beings are under stress not only from work pressure and tension, but also due to threats like financial uncertainty, nuclear family threat, regionalism, unemployment, economic crisis, political crises, and job insecurity. We are not only living in the age of 'Science and Development' but also in the age of 'Anxiety' and 'Stress' as well (Cooper, C.L., Dewe, P.J. and O'Driscoll, M.P. 2001).

The level of stress in our lives is highly dependent on individual factors like physical interpersonal relationships, work commitments, health, family support, responsibility, job expectations, degree of dependence, family demand, etc. Similarly stress is also dependent on organisational factors like organisation expectations, work performance, work target, power conflict, work targets, deadlines, strained relationship with co-worker, computerization and automation, technological advancement, performance based evaluation and promotion, rewards linked to performance, role and goal conflict, recognition, additional workload, pressure on the employee to work beyond their capacity, unhealthy competition, job insecurity and instability in organisation structure which will disturb the well-being of employee and also the productivity of the organisation.

Employee productivity is very essential for the growth and success of the life insurance company in today's global competitive environment. Improving employee productivity has been one of the most important objectives of life insurance sector. This is because increased levels of employee productivity provide an organisation and its employees with various benefits. Therefore, this part of the study will measure the productivity of employees working in the life insurance sector. The paramount objectives of this study are to investigate the impact of work stress on the perceived level of productivity of employees working in the

life insurance company of India. Work stress is a universal factor and employees from nearly every walk of life have to face stress. Employers today critically analysed the stress management issues that contribute to reduce job performance and productivity of employees ultimately affecting organisational goals and objectives. The Performance of an employee in the workplace is a point of success for all the organisations, irrespective of all the factors and conditions. Consequently, the employees are considered to be very precious asset for their organisation.

Therefore, management professionals and social scientists alike are keenly aware of having a clear understanding of this occurrence. Work stress plays a significant role in shaping the contemporary business world. A number of studies on work- related stress or employee stress in recent years has brought out varied dimensions of this problem on the surface (Swati Goyal and Vinay Kashyap 2010). In India, stress related research is old, but somewhat limited in Life Insurance Sector.

Objectives of the study

1. To understand the concept of work stress and perceived level of productivity on employees working in the life insurance company.
2. To identify factors which affect employee work stress and perceived level of productivity.
3. To analyse the impact of work stress on LIC of India employees perceived level of productivity.

METHODOLOGY OF THE STUDY

In the past few decades LIC of India ruled the life insurance market like kings over their kingdoms, but the scenario has been completely reversed today. The study examines the practices of life insurance companies in relation to their employees work stress, working conditions and employees perceived level of productivity. The researcher has made a detailed study based on the empirical data collected from the employees of selected public and private sector life insurance companies operating in the Dakshina Kannada district of Karnataka State. The study uses both primary and secondary sources for collecting facts and figures relating to the topic under research. Relevant primary data and information is collected by combination of preparing a structured questionnaire and by personal interview methods.

The study has been partly descriptive and partly diagnostic. All efforts were made for an in depth analysis to arrive at the results and provide concrete suggestions. The sample was taken from employees working in five district of Dakshina Kannada. Analysis and interpretation of the data is made by using reliability test and validity, descriptive analysis and frequency analysis statistical tools. The field data is collected from all the categories of employees, including branch heads, field officers or development officers, officers, and accountants, office assistants, clerks and other supporting staff working in the selected life insurance companies. A comprehensive list of employees collected from the respective offices. The study is confined to life insurance companies operating in Dakshina Kannada district.

REVIEW OF LITERATURE

Numerous research studies have repeatedly proved that some amount of work stress is necessary for the employees as well as to the organisation to stay alive and perform well in a competitive world. Stress that is effectively managed by an employee is a positive sign and requires the knowledge of stress resolving strategies for reducing stress at workplace.

Jennifer Walinga Wendy Rowe, (2013), in an article on “Transforming stress in complex work environments Exploring the capabilities of middle managers in the public sector” showed a communication and coordinating strategies can be developed and improved through training in the processes of mechanisms, communication planning, frameworks, and systems for both implementing solutions and problem solving.

Kapse, S and Kodwani D.G (2003), in their article “Insurance as an Investment Option” argued that in the changing framework for the insurance sector, there is going to be a good opportunity for the insurance sector to expand its market base. For this purpose there is a need to improve the features of the insurance products to make them more liquid or short term schemes could be increased.

Mishra, M.N. (1987), conducted a study on “Appraisal of Marketing Strategies of the Life Insurance Corporation of India” to evaluate the strategies of Life Insurance Company. While reviewing the strategies, the researcher felt that before 1960 Life Insurance Company did not give much attention to the objective of customer satisfaction, but since 1980 the Life Insurance Corporation has taken several remedial measures to provide greater customer service and improve the customer satisfaction.

Sharma and Sharma (2014), conducted a study on “Employee Engagement to Enhance Productivity in Current Scenario”. It is concluded that employee productivity depends on the amount of time that an employee is physically present at their job, besides the extent to which employees are “mentally present” or efficiently working during the presence at the job. Companies should address such issues in order to ensure high worker productivity.

Singh, B., (2017), in his study on “Job Stress among Employees in the Insurance Sector” has analysed the job stress among the employees working in the insurance sector located in the boundaries of Rohtak District of Haryana. The findings of this study revealed that the employees working in the insurance sector are facing the job stress in their day-to-day work, but that is not affected by genders by the employees.

Stacciarini and Tro’ccoli (2004), in their study “Occupational Stress and Constructive Thinking: Health and Job Satisfaction” identified the relationship between job stress and demographic variables, viz., gender, age, religion, marital status, institution, job grade, salary, higher studies and position and found no significant differences in job stress based on the aforesaid demographic data, though, gender contributed significantly toward differences in psychological and physical ill health.

Data analysis and interpretation

This part of the study investigates the impact of work stress on employees' perceived productivity. Work stress put severe effects on employees. Employees with work stress cannot fulfil the expectations of their organisation and self. It affects the psychological, physical, and organisational burnout. Employees of life insurance companies feel that their job is stressful and in return it may decrease their productivity. Work stress has substantial importance for the life insurance companies, because it has a direct effect on the employee’s health and their productivity.

Percentile Analysis of Impact of Work Stress on the Perceived Level of Employee Productivity

Sl. No.	Variables	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
1	Interest in the work is reduced due to stress	58 (21.1)	119 (43.3)	16 (5.8)	35 (12.7)	47 (17.1)	275 (100)
2	The opportunity to improve skills and knowledge from a job is less due to monotonous work	36 (13.1)	118 (42.9)	27 (9.8)	57 (20.7)	37 (13.5)	275 (100)
3	Ability to reach the target with regard to present work has been increased	34 (12.4)	94 (34.1)	26 (9.5)	87 (31.6)	34 (12.4)	275 (100)

4	Taken proactive steps in improving the quality of the service of the organisation	40 (14.5)	129 (46.9)	31 (11.3)	53 (19.3)	22 (8)	275 (100)
5	Not able to evolve effective time management due to work pressure	52 (18.9)	97 (35.3)	49 (17.8)	39 (14.2)	38 (13.8)	275 (100)
6	Able to balance work and family life without any job disturbance	51 (18.5)	75 (27.3)	30 (10.9)	81 (29.5)	38 (13.8)	275 (100)
7	Feel stressed at work due to workplace relationship.	75 (27.3)	106 (38.5)	40 (14.5)	34 (12.4)	20 (7.3)	275 (100)
8	Safety and health issues are addressed proactively, rather than reactively	55 (20)	94 (34.2)	34 (12.4)	49 (17.8)	43 (15.6)	275 (100)
9	Promotion to employees are given impartially	32 (11.6)	113 (41.2)	57 (20.7)	65 (23.6)	8 (2.9)	275 (100)
10	Feeling overburdened with work	70 (25.5)	83 (30.1)	51 (18.5)	34 (12.4)	37 (13.5)	275 (100)
11	Various other interests remained neglected, due to busy work schedule	36 (13.1)	112 (40.6)	45 (16.4)	56 (20.4)	26 (9.5)	275 (100)
12	Family and relatives complain that I do not spend time with them	15 (5.4)	115 (41.8)	67 (24.4)	34 (12.4)	44 (16)	275 (100)
13	Feeling stagnant in the job	56 (20.4)	104 (37.8)	31 (11.3)	48 (17.4)	36 (13.1)	275 (100)
14	Level of salary commensurate with employee skills and experience	68 (24.7)	77 (28)	42 (15.3)	58 (21.1)	30 (10.9)	275 (100)
15	Need not carry work home	40 (14.5)	101 (36.7)	30 (10.9)	73 (26.5)	31 (11.4)	275 (100)
16	Happy to spend the rest of career with this organization	75 (27.3)	67 (24.4)	31 (11.3)	50 (18.2)	52 (18.8)	275 (100)

17	Satisfied with the overall quality of working life	89 (32.4)	76 (27.6)	11 (4)	55 (20)	44 (16)	275 (100)
18	Proud to recommend my profession to my friends, relatives and others	92 (33.5)	65 (23.6)	26 (9.5)	33 (12)	59 (21.4)	275 (100)

Source: Survey data

An analysis of the Impact of Work Stress on the Perceived Level of Employee Productivity in the above table reveals that a majority of 43.3 percent of the respondents agreed that interest in the work is reduced due to stress, 42. percent of the respondents agreed that opportunity to improve skills and knowledge from a job is less due to monotonous work, 34.1 percent of the respondents agreed that ability to reach the target with regard to present work has been increased, 46.9 percent of the respondents agreed that they take proactive steps in improving the quality of the service of the organisation, 35.3 percent of the respondents agreed that they are not able to evolve effective time management due to work pressure, 29.5 percent of the respondents disagreed that they are able to balance work and family life without any job disturbance.

In this study, 38.5 percent of the respondents agreed that they feel stressed at work due to workplace relationship, 34.2 percent of the respondents agreed that the safety and health issues are addressed proactively rather than reactively, 41.2 percent of the respondents agreed that the promotion to employees are given impartially, 30.1 percent of the respondents agreed that they are feeling overburdened with work, 40.6 percent of the respondents agreed that various other interests remained neglected, due to busy work schedule, 41.8 percent of the respondents agreed that family and relatives complain that, I do they not spend time with them, 37.8 percent of the respondents agreed that they are feeling stagnant in the job.

In this findings, 28 percent of the respondents agreed that level of salary commensurate with employee skills and experience, 36.7 percent of the respondents agreed that they need not carry work home, 27.3 percent of the respondents strongly agreed that they are happy to spend the rest of career with this organisation, 32.4 percent of the respondents strongly agreed that they are satisfied with the overall quality of working life and 33.5 percent of the respondents strongly agreed that they are proud to recommend my profession to my friends, relatives and others.

Rotated Component Matrix on Impact of Work Stress on the Perceived Level of Employee Productivity

Variables	Component						
	1	2	3	4	5	6	7
Interest in the work is reduced due to stress	0.616						
The opportunity to improve skills and knowledge from a job is less due to monotonous work		0.661					
Ability to reach the target with regard to present work has been increased						0.823	
Taken proactive steps in improving the quality of the service of the organisation					0.814		

Not able to evolve effective time management due to work pressure							0.755
Able to balance work and family life without any job disturbance			0.614				
Feel stressed at work due to workplace relationship.							0.530
Safety and health issues are addressed proactively, rather than reactively	0.719						
Promotion to employees are given impartially			0.637				
Feeling overburdened with work				0.812			
Various other interests remained neglected, due to busy work schedule				0.772			
Family and relatives complain that I do not spend time with them			0.548				
Feeling stagnant in the job		0.664					
Level of salary commensurate with employee skills and experience	0.748						
Need not carry work home	0.685						
Happy to spend the rest of career with this organisation	0.855						
Satisfied with the overall quality of working life	0.850						
Proud to recommend my profession to my friends, relatives and others	0.836						

Source: Survey data

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization. (A Rotation converged in 10 iterations)

From the above table it can be observed that, for the purpose of studying the impact of work stress on the perceived level of employee productivity seven components were extracted. All the 07 components totally contributed to 72.04% of variance. The maximum communality value is explained by the “Happy to spend the rest of career with this organisation” with the value 0.855. From Eigen values in the above table only ten factors out of eighteen variables are considered. From the study by applying Rotated Component Matrix method, the following seven components are extracted.

Component 1: Which contributes variation as a contributing variable (IWSPLEP 1) with Reliability=0.904 comprises of interest in the work is reduced due to stress with factor loading of 0.616, level of salary commensurate with employee skills and experience with factor loading of 0.748, need not carry work home

with factor loading of 0.685, happy to spend the rest of career with this organization with factor loading of 0.855, satisfied with the overall quality of working life with factor loading of 0.850, proud to recommend my profession to my friends, relatives and others with factor loading of 0.836 and safety and health issues are addressed proactively, rather than reactively with factor loading of 0.719.

Component 2: Which contributes variation as a contributing variable (IWSPLEP 2) comprises of feeling stagnant in the job with factor loading of 0.664 and the opportunity to improve skills and knowledge from a job is less due to monotonous work with factor loading of 0.661.

Component 3: Which contributes variation as a contributing variable (IWSPLEP 3) with Reliability=0.724 comprises of family and relatives complain that I do not spend time with them with factor loading of 0.548, promotion to employees are given impartially with factor loading of 0.637 and able to balance work and family life without any job disturbance with factor loading of 0.614.

Component 4: Which contributes variation as a contributing variable (IWSPLEP 4) comprises of feeling overburdened with work with factor loading of 0.812 and various other interests remained neglected, due to busy work schedule with factor loading of 0.772.

Component 5: Which contributes variation as a contributing variable (IWSPLEP 5) comprise of taken proactive steps in improving the quality of the service of the organisation with factor loading of 0.814.

Component 6: Which contributes variation as a contributing variable (IWSPLEP 6) comprise of ability to reach the target with regard to present work has been increased with factor loading of 0.823.

Component 7: Which contributes variation as a contributing variable (IWSPLEP 7) comprises of feel stressed at work due to workplace relationship with factor loading of 0.530 and not able to evolve effective time management due to work pressure with factor loading of 0.755.

The major effect of work-induced stress on the employee is reduced productivity. Work stress may derive from many sources, but ultimately it has the impact on employee productivity. Hence, it is found that there is a significant negative correlation between work stress and perceived productivity of employees working in the life insurance companies in this study.

CONCLUSION

Life insurance companies are facing the problem of transformation from a perceived selling activity to a well-structured strategic marketing activity. At the same time life insurance companies are facing difficulties in attracting and retaining talented and skilled manpower. Because of these challenges and modification, the employees in the life insurance sector are facing work stress. Work related sources of stress are totally different from personal sources of stress, but it is true that personal factors can affect job or work of an employee. Work-related stress is the major reason for employee's poor productivity on the job. Work stress affects negatively on the employee's well-being, which creates dissatisfaction and hamper the performance of the employee. An employee who experience stress in their work may perceive their working condition negatively. The work stress slows down the responses of the employees and hence affects their work efficiency. The stress generated in the workplace can affect the employees' morale and which in turn reflect in the productivity of the employees. So life insurance companies should come up with providing attractive salary, especially to the beginners, financial incentives, social security, medical facility and planning employee career.

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