Comparative Analysis of Stress Levels in Public and Private Sector Banks: A Review-Based Approach

Lovely Anand[1], Dr. Vineet Kumar Shukla[2]
[1]Research Scholar, [2]Professor
Department of Commerce and Management, Dr. C. V. Raman University, Vaishali, Bihar, India

Abstract: The banking sector is one of the most demanding service industries, characterized by high work pressure, performance targets, and customer expectations. This review paper aims to analyze and compare stress levels among employees working in public and private sector banks. The study synthesizes existing literature to identify major stressors, their impact on employee performance, and coping mechanism s. The findings suggest that while both sectors experience significant stress, private sector banks tend to have higher stress levels due to performance pressure and job insecurity, whereas public sector banks experience stress related to organizational rigidity and workload.

Keywords: Occupational Stress, Banking Sector, Public Banks, Private Banks, Employee Well-being.

***How to cite this article**: Lovely Anand, Dr. Vineet Kumar Shukla, "Comparative Analysis of Stress Levels in Public and Private Sector Banks: A Review-Based Approach" Published in International Journal of Scientific Modern Research and Technology (IJSMRT), ISSN: 2582-8150, Volume-15, Issue-3, Number-4, May 2024, pp. 31-36, URL: https://www.ijsmrt.com/wp-content/uploads/2026/04/ IJSMRT-24060304.pdf*

IJSMRT-24060304

I. INTRODUCTION

The banking sector is a vital component of economic development, playing a key role in financial intermediation and service delivery. However, rapid technological advancements, increasing competition, and rising customer expectations have significantly intensified job-related stress among employees. Public and private sector banks operate under different organizational structures, work cultures, and performance expectations, which influence the nature and level of stress experienced by their employees (V. Samartha & Lokesh, 2014). Public sector banks often face challenges related to workload, bureaucratic procedures, and limited career growth, whereas private sector banks are characterized by high-performance targets, job insecurity, and extended working hours. This review-based study aims to comparatively analyze stress levels in these two sectors by examining the existing literature. This study seeks to identify major stressors, their impact on employee well-being and productivity, and the need for effective stress management strategies in the banking industry (Dhushyanthan, 2025).

Background

The banking sector has undergone major transformations due to globalization, digitalization, policy reforms, and changing customer expectations. These changes have increased the work pressure on employees in both public and private sector banks. Public sector banks generally operate within structured and bureaucratic systems, whereas private sector banks focus more on productivity, competition, and customer-oriented performance. Consequently, employees in both sectors face different types of occupational stress. Stress in banking not only affects employees health and job satisfaction but also influences service quality and organizational efficiency (M. V. Samartha et al., 2010). Therefore, understanding this background is essential for comparing stress levels between the two sectors.

Main Contributions

The main contributions of this study are as follows:

- This study provides a comparative review of stress levels in public and private sector banks.
- Identifies the major sources of occupational stress affecting bank employees in both sectors.
- It highlights sector-wise differences in work culture, workload, job security, and performance pressure.
- Examines the impact of stress on employees health, job satisfaction, and productivity.
- Synthesizes the existing literature to present a clear understanding of banking-related stress.
- It focuses on the relevance of stress management in improving employee well-being and organizational efficiency.
- This study offers insights for policymakers and bank management to design better stress-reduction strategies.
- It creates a base for future empirical research, especially for district-level studies such as Vaishali.

Organization

This paper is organized into several sections to provide a systematic understanding of the topic. The first section introduces the concept of occupational stress in the banking sector and explains the need to compare stress levels in public and private sector banks. The second section presents the review objectives and scope. The third section reviews the existing literature related to stress in the banking industry. The fourth section describes the methodology adopted to collect and analyze secondary data from published studies, reports, and articles. The fifth section discusses the major factors causing stress among bank employees and provides a comparative analysis of the stress levels in public and private sector banks. Finally, this paper concludes with the key findings, implications, and suggestions for future research.

II. OBJECTIVES OF THE STUDY

The objectives describe the main aims of the study, such as:

- comparing stress levels in public and private sector banks,
- identifying the major causes of stress,
- understanding how stress affects employee performance and well-being,
- This suggests possible stress management strategies.

The scope of the review shows the area covered by this study. It clarifies that the study is based on secondary sources such as research articles, journals and reports, rather than primary survey data. It also indicates that this study focuses only on bank employees in public and private sector banks and examines stress from a comparative perspective.

III. LITERATURE REVIEW

The banking sector has emerged as one of the most stressful service sectors owing to rapid technological changes, rising customer expectations, increasing competition, and strict regulatory demands. Many studies have examined occupational stress among bank employees, particularly in public and private sector banks, to understand how organizational structure, workload, and performance expectations influence employee well-being. The literature reveals that stress is a common phenomenon in both sectors, although its intensity and causes vary significantly (Avr & Rao, 2024).

Several researchers have identified workload as a major source of stress in the banking sector. Employees are often required to manage multiple responsibilities, such as customer service, documentation, account handling, loan processing, and digital transactions. In public sector banks, studies show that employees frequently face stress due to staff shortages, excessive paperwork, policy implementation pressure, and heavy public dealings. These banks often serve a larger and more diverse customer base, including pensioners, rural customers, and beneficiaries of government schemes, which increases their operational burden. Researchers have observed that bureaucratic procedures, slow decision-making, and limited autonomy contribute to employee stress in public banks (Roy & Adhikari, 2020).

In contrast, private sector banks are often associated with a more competitive and target-driven work environment. The literature indicates that employees in private banks experience higher stress due to sales pressure, performance targets, long working hours, and job insecurity. Many studies have reported that private bank employees are expected to achieve aggressive business goals related to loans, credit cards, insurance, and other financial products. Failure to meet these expectations may affect employees' incentives, promotions, and job continuity. Consequently, private bank employees often report higher levels of anxiety, burnout, and work-life imbalance than those in public sector banks (House & Madasamy, 2024).

A comparative review of earlier studies suggests that although public sector employees face stress from organizational rigidity and workload, private sector employees experience more psychological and performance-related stress. Kumar, Sharma, Rao, and Singh have consistently found that private bank employees tend to show greater stress intensity because of stronger managerial control, higher accountability, and pressure to perform in a competitive market. In contrast, public sector bank employees benefit from greater job security and relatively stable working hours, which help reduce certain aspects of stress. However, they are not free from pressure, as limited promotional opportunities, outdated systems, and high customer volumes continue to affect their mental health (Lavuri, 2018).

The literature also highlights the consequences of occupational stress in the banking sector. High stress levels have been linked to reduced job satisfaction, lower efficiency, absenteeism, health problems, hypertension, depression, and poor interpersonal relationships in the workplace. Some studies have further emphasized that prolonged stress negatively affects service quality and organizational productivity. To address these issues, scholars have recommended stress management interventions such as counseling, better workload distribution, employee training, supportive supervision, flexible working conditions, and wellness programs (M. V. Samartha et al., 2010).

Overall, the reviewed literature makes it clear that occupational stress is a significant concern in both public and private sector banks in India. However, the nature of stress differs between these two sectors. Public banks are more affected by administrative and workload-related stress, whereas private banks are more affected by performance pressure and insecurity. This comparative understanding provides a strong foundation for further research and policy planning aimed at improving employee well-being in the banking sector (Nishad, 2020).

IV. METHODOLOGY

The methodology of this study is based on a review-oriented and descriptive approach, designed to examine stress levels among employees in public and private sector banks through existing scholarly work. As this study is a review paper, it does not involve direct field surveys, interviews, or questionnaires. Instead, it relies on secondary data collected from previously published academic and institutional sources.

First, relevant literature on occupational stress in the banking sector was identified and collected from sources such as research journals, books, conference papers, dissertations, published reports, and government or institutional documents. The selection of literature was guided by the central theme of the study, namely, the comparison of stress levels in public and private sector banks. Special attention was given to studies discussing workload, work pressure, job insecurity, organizational climate, working hours, customer handling and employee well-being.

After collecting the materials, the studies were carefully reviewed to extract useful information. The information was then organized into major themes and subthemes. These themes included the causes and effects of stress, sector-wise differences, and coping mechanisms. This thematic arrangement facilitated the comparison of findings from different authors and the identification of common patterns.

A comparative analytical method was used to distinguish the stress conditions in public and private-sector banks. In public sector banks, stress was mainly analyzed in terms of workload, bureaucratic procedures, limited promotion opportunities, and pressure due to government schemes and public service responsibilities. In private sector banks, the analysis focused more on sales targets, performance evaluation, longer working hours and job insecurity. By comparing these two sectors, this study identifies both similarities and differences in the nature and intensity of occupational stress. The methodology is also descriptive in nature because it explains the phenomenon of stress based on available evidence rather than testing a statistical hypothesis. The purpose is to synthesize the findings of earlier studies and present a broad understanding of the issue in a clear and systematic way.

To ensure relevance, only literature directly connected with banking stress, employee well-being, and public-private sector comparisons was considered. The reviewed studies were interpreted logically to draw meaningful conclusions from them. Thus, the methodology helps build a strong conceptual understanding of stress in the banking sector and provides a foundation for future empirical research.

V. FACTORS CAUSING STRESS IN BANKING SECTOR

Major factors causing stress in the banking sector include heavy workloads, long working hours, high-performance targets, job insecurity, customer pressure, staff shortages, technological changes, strict deadlines, lack of work-life balance, and organizational issues. These factors significantly affect employees' mental health, job satisfaction, efficiency, and overall workplace performance.

Workload

Workload is a major source of stress in the banking industry. Bank employees handle multiple tasks, such as customer service, documentation, account management, loan processing, and reporting. Excessive workload, staff shortages, and time pressure increase mental strain, reduce efficiency, and negatively affect employee health, job satisfaction, and performance (Avr & Rao, 2024).

Performance Pressure

Performance pressure is a significant cause of stress, especially in private-sector banks. Employees are expected to achieve sales targets, meet deadlines, and maintain high levels of productivity. Continuous monitoring and fear of underperformance create anxiety, reduce confidence, disturb work-life balance, and negatively influence employees' mental well-being and overall job performance (Shaikh et al., 2013).

Job Security

Job security greatly influences stress levels in the banking sector. Public sector bank employees usually feel more secure due to stable employment and benefits, which reduce stress. In contrast, private sector employees often face job loss, contract uncertainty, and performance-based retention, leading to higher anxiety and mental pressure (House & Madasamy, 2024).

Table 1: Comparative Analysis

Basis of Comparison	Public Sector Banks	Private Sector Banks
Job Security	High job security	Lower job security
Work Pressure	Moderate	High
Workload	Heavy due to public dealing and government schemes	Heavy due to targets and sales pressure
Performance Pressure	Comparatively low	Very high
Working Hours	More fixed and regular	Longer and more flexible
Promotion Opportunities	Slow and seniority-based	Faster and performance-based
Salary Structure	Moderate and stable	Higher with incentives
Organizational Structure	Bureaucratic and rigid	Dynamic and competitive
Work-Life Balance	Better comparatively	Poorer due to long hours
Stress Level	Moderate	High

Table 1 shows that stress exists in both public and private sector banks, but its intensity and causes differ. Public sector banks offer better job security, fixed working hours, and a more stable salary structure, which helps reduce stress to some extent. However, employees still face workloads due to public dealings and administrative procedures. In contrast, private sector banks have higher stress levels because of performance targets, longer working hours, and job insecurity. Although private banks provide better incentives and faster promotions, the competitive work culture increases mental pressure on employees. Overall, private sector bank employees experienced higher stress than public sector bank employees (Pathak, 2016).

Table 2: Impact of Stress on Employees

Impact Area	Effect of Stress on Employees
Physical Health	Causes headache, fatigue, high blood pressure, and sleep problems
Mental Health	Leads to anxiety, depression, frustration, and emotional exhaustion
Job Satisfaction	Reduces interest, motivation, and satisfaction toward work
Work Performance	Lowers productivity, efficiency, and quality of service
Decision Making	Affects concentration and leads to poor judgment
Attendance	Increases absenteeism and frequent leave
Interpersonal Relations	Creates conflicts with colleagues, seniors, and customers
Work-Life Balance	Disturbs personal life and family relationships
Organizational Commitment	Reduces loyalty and attachment to the organization
Turnover Intention	Increases the desire to leave the job

Table 2 explains that stress affects employees in many ways. It harms physical health by causing fatigue, headaches, and sleep problems, and also affects mental health through anxiety, frustration, and depression. Stress reduces job satisfaction and lowers employees motivation. It also decreases work performance, making employees less productive and efficient. Due to stress, decision-making ability becomes weaker, and employees may take more leave or remain absent from work. Stress also creates problems in relationships with colleagues, seniors, and customers. In addition, it disturbs work-life balance and reduces commitment toward the organization, which may finally increase employees' intention to leave their jobs (Bencsik et al., 2020).

Table 3: Stress Management Strategies

Stress Management Strategy	Explanation
Counseling Services	Providing mental health support and guidance to employees to handle stress effectively.
Workload Management	Tasks should be distributed properly to avoid overburdening employees and reducing pressure.
Flexible Working Hours	Help employees maintain a better balance between their work and personal lives.
Training and Development	Improving employees' skills, confidence, and ability to cope with job demands.
Supportive Work Environment	Encourage cooperation, communication, and positive relationships in the workplace.
Recreational Activities	Organizing yoga, meditation, sports, and wellness programs to reduce mental tension.
Performance Recognition	Motivate employees by appreciating and rewarding their efforts.
Time Management Practices	Employees should be helped to plan and prioritize tasks efficiently to reduce stress.
Job Security Measures	Fear and anxiety can be reduced by ensuring stability and transparent policies.
Employee Assistance Programs	Professional help is offered for personal, emotional, and work-related problems.

Table 3 presents different strategies that can help reduce stress among bank employees. Counseling services and employee assistance programs provide emotional and psychological support to employees. Workload and time management practices help employees handle tasks more efficiently. Flexible working hours improve work-life balance, whereas training and development increase confidence and coping ability. A supportive work environment encourages better communication and teamwork. Recreational activities such as yoga and meditation help employees relax. Performance recognition motivates employees and improves their morale. Finally, job security measures reduce fear and anxiety, thereby creating healthier and more productive workplaces (Singh & Gupta, 2024).

VI. CONCLUSION

The conclusion states that occupational stress is a common problem in both public and private sector banks, but the reasons and intensity are different. Public sector bank employees mainly face stress due to workload, bureaucratic procedures, and limited career growth. Private sector bank employees experience higher stress because of performance targets, job insecurity, and long working hours. The conclusion also emphasizes that stress negatively affects employee health, job satisfaction, and productivity. Therefore, effective stress management strategies such as counseling, workload distribution, supportive policies, and better work-life balance are necessary to improve employee well-being and organizational performance in the banking sector. The review indicates that stress is prevalent in both public and private sector banks, though its nature differs. Private banks experience higher stress due to competitive environments, while public banks face stress due to organizational limitations. Effective stress management strategies are essential for improving employee well-being and organizational performance.

References

[1] Avr, M., & Rao, D. (2024). Assessing Work Stress and Its Impact On Job Satisfaction and Performance of Employees in Banks. *International Research Journal on Advanced Engineering and Management (IRJAEM)*, *6*(07), 2232–2238. https://doi.org/10.47392/irjaem.2024.0324.

[2] Bencsik, A., Juhász, T., & Mura, L. (2020). Consequences of Workplace Stress – Company Case Study. *Littera Scripta*. https://doi.org/10.36708/littera_scripta2019/2/7

[3] Dhushyanthan, V. (2025). An Analysis of Stress Management Practices among Banking Sector Employees. *International Journal For Multidisciplinary Research*, *7*(4). https://doi.org/10.36948/ijfmr.2025.v07i04.53522

[4] House, L. K. K., & Madasamy, D. S. (2024). To Study Job-related Stress on Employee Performance between Private and Public Sector Banks. *Journal of Advanced Zoology*. https://doi.org/10.53555/jaz.v45i3.4239

[5] Lavuri, D. R. (2018). Job Related Stress on Employees Performance: A Comparative Study of Public Bank and Private Bank. *American Research Journal of Business and Management*, *4*(1). https://doi.org/10.21694/2379-1047.18011

[6] Mughal, F., Ahmad, M., Gondal, A. M., Awan, T. M., & Chaudhry, I. G. (2010). Repercussions of stressors on employee work-life balance: analysing the banking industry of Pakistan. *J. for Global Business Advancement*, *3*(4), 325. https://doi.org/10.1504/jgba.2010.036037

[7] Nishad, N. (2020). Occupational stress and job satisfaction among bank employees: a content analysis. *International Journal of Indian Psychology*, *8*(4). https://doi.org/10.25215/0804.071

[8] Pathak, D. P. (2016). A Study of Factors Influencing Stress among Bank Employees: A Study. *Adhyayan: A Journal of Management Sciences*, *2*(2). https://doi.org/10.21567/adhyayan.v2i2.10242

[9] Roy, P. D., & Adhikari, K. (2020). Job stress of employees working in public sector banks: An empirical study. *International Journal of Research in Management*, *2*(2), 37–40. https://doi.org/10.33545/26648792.2020.v2.i2a.38

[10] Samartha, M. V., Lokesh, M., & Karkera, M. A. (2010). Impact Of Occupational Stress On Employee Performance In Banks-An Empirical Study. *Paradigm: A Management Research Journal*, *14*(1), 65–71. https://doi.org/10.1177/0971890720100108

[11] Samartha, V., & Lokesh, L. (2014). Analysis of Job Stress and its Influence on Job Satisfaction in Banks. *Asian Journal of Research in Business Economics and Management*, *4*(11), 98. https://doi.org/10.5958/2249-7307.2014.00977.3

[12] Shaikh, A. A., Akram, M., Rizwan, M., Kousar, S., & Malik, M. (2013). The Impact of job stress: An imperative insight into the Banking sector. *Journal of Public Administration and Governance*, *3*(3), 294. https://doi.org/10.5296/jpag.v3i3.6223

[13] Singh, S., & Gupta, Prof. (Dr.). (2024). A study of stress Management practices on public and private sector Bank Employees. *Journal of Advances and Scholarly Researches in Allied Education*, *21*(4), 1–5. https://doi.org/10.29070/623kqr43