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# A COMPREHENSIVE STUDY ON THE IMPACT OF OCCUPATIONAL STRESS ON EMPLOYEE WELL-BEING AND EMPLOYEE ENGAGEMENT IN PRIVATE INSURANCE COMPANIES IN KARNATAKA

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**ABSTRACT**

*This study investigates the impact of occupational stress on employee well-being and employee engagement in selected private insurance companies in Karnataka. Using a structured quantitative approach, the research explores how varying levels of job-related stress influence the psychological and emotional states of employees, ultimately affecting their level of engagement at work. Tools such as descriptive statistics, correlation analysis, and multiple regression were used to analyze primary data collected from 346 respondents. The findings reveal a significant inverse relationship between occupational stress and both employee well-being and engagement. This research offers valuable insights for HR managers, mental health professionals, and policymakers aiming to foster healthier, more resilient insurance workforces.*

**KEYWORDS:** *Occupational Stress, Employee Well-being, Employee Engagement, Insurance Sector, Karnataka, Regression Analysis.*

## 1. INTRODUCTION

In the contemporary work environment, occupational stress is emerging as a major challenge, particularly in sectors that demand performance under pressure—such as private insurance. Employee well-being and engagement are vital for maintaining organizational productivity and morale. However, stress induced by deadlines, customer demands, sales pressure, and role ambiguity can significantly deteriorate an employee's mental health and their ability to stay engaged. This study aims to quantify and explore the impact of occupational stress on these two critical outcomes.

## 2. STATEMENT OF THE PROBLEM

Despite rapid digitalization and customer growth in the insurance sector, rising occupational stress levels have led to declining employee morale and disengagement. Previous research indicates that elevated stress may negatively affect mental health and reduce employee participation and motivation at the workplace. However, limited empirical evidence exists within the context of Karnataka's private insurance companies. This study aims to bridge that gap.

### Research Questions

- Does occupational stress significantly affect employee well-being in private insurance companies in Karnataka?
- How does occupational stress influence employee engagement in this sector?

## 3. OBJECTIVES OF THE STUDY

- To examine the impact of occupational stress on employee well-being.
- To examine the impact of occupational stress on employee engagement.

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## 4. RESEARCH METHODOLOGY

**Research Design**

This study utilizes a descriptive research design with a cross-sectional approach. Primary data was collected from employees across various departments and job roles within selected private insurance companies.

**Target Population and Sampling**

The population includes employees from 7 selected private insurance companies in Karnataka. A stratified random sampling method was used, considering company-wise employee strength. A total of 356 valid responses were analyzed.

**Data Collection Method**

A structured questionnaire using a 5-point Likert scale was administered to assess the perceived levels of occupational stress. The instrument was tested for reliability (Cronbach's Alpha = 0.82).

**Data Analysis Techniques**

- Descriptive Statistics
- Pearson Correlation
- Multiple Regression Analysis.

## 5. DATA ANALYSIS AND INTERPRETATION

### 5.1. DETAILED REGRESSION ANOVA ANALYSIS OF STRESS FACTORS ON WELL-BEING AND ENGAGEMENT VARIABLES

Multiple regression analysis is conducted in order to check the impact of occupational stress over the factors causing occupational stress. To know the significant variables which highly influencing the impact of occupational stress over the factors causing occupational stress as well as insignificant factors which do not

influence the impact of occupational stress over the factors causing occupational stress.

**Dependent Variables:**

Employee Engagement And Well Being influencing Factors Like Health,Relationships,Performance, Absenteeism.

**Independent Variables:**

**OS1** (Workload Variance)
**OS2** (Working Condition)
**OS3** (Role Conflict & Role Ambiguity)
**OS4** (Job Security and Promotion)
**OS5** (Superior / Subordinate Face – offs)
**OS6** (Participation in Decision Making and Authority)

### 5.2 Impact of Occupational Stress Factors on Employee's Health Problems

A multiple regression analysis was conducted to examine the impact of various occupational stress factors on employee health problems. Six stress dimensions were included as independent variables: Workload Variance (OS1), Working Conditions (OS2), Role Conflict & Ambiguity (OS3), Job Security & Promotion (OS4), Superior/Subordinate Face-Offs (OS5), and Participation in Decision Making & Authority (OS6).

**Table 5.2.1: Regression Coefficients – Health Problem vs Occupational Stress Factors**

| Parameter | Estimate | Std. Error | β | P-Value |
|---|---|---|---|---|
| OS1 | 0.145 | 0.060 | 0.260 | 0.016 |
| OS2 | -0.089 | 0.076 | -0.143 | 0.244 |
| OS3 | -0.136 | 0.073 | -0.190 | 0.065 |
| OS4 | -0.112 | 0.065 | -0.149 | 0.087 |
| OS5 | 0.254 | 0.075 | 0.317 | 0.001 |
| OS6 | 0.139 | 0.042 | 0.213 | 0.001 |

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**Table 5.2.2: Result of Model Summary – The Employee's Health Problem vs. the Factors Causing Occupational Stress**

| Model Summary Statistics | Value |
|---|---|
| Multiple R | 0.385 |
| R-Squared | 0.148 |
| R-Squared (adjusted for d.f.) | 0.133 |
| Standard Error of Estimate | 0.61597 |
| Durbin-Watson Statistic | 1.428 |

Source: Primary Data

**Table 5.2.3: Result of ANOVA – The Employee's Health Problem vs. the Factors Causing Occupational Stress**

| Source | Sum of Squares | df | Mean Square | F-Ratio | P-Value |
|---|---|---|---|---|---|
| Regression | 22.392 | 6 | 3.732 | 9.836 | 0.000 |
| Residual | 128.625 | 339 | 0.379 | | |
| Total | 151.017 | 345 | | | |

Source: Primary Data

*The fitted regression model is:*
*Y (Health Problem) = 2.350 + 0.145(Workload Variance) – 0.089(Working Condition) – 0.136(Role Conflict & Role Ambiguity) + 0.112(Job Security & Promotion) + 0.254(Superior/Subordinate Face-Offs) + 0.139(Participation in Decision Making & Authority*)

Inference:
The regression model is statistically significant ($F = 9.836$, $p < 0.001$), validating its effectiveness in predicting employee health problems. The model explains 14.8% of the variance in health issues, indicating a moderate impact of occupational stress variables. Among the predictors, Superior/Subordinate Face-Offs ($\beta = 0.317$), Workload Variance ($\beta = 0.260$), and Participation in Decision Making ($\beta = 0.213$) were found to have a significant and positive effect on employee health problems.

Interpretation:
The above analysis suggests that poor relationships with superiors, inconsistent workloads, and lack of involvement in decision-making processes contribute directly to deteriorating employee health. In the context of private insurance companies, such health issues negatively influence employee well-being, leading to fatigue, stress, and absenteeism. Additionally, these stressors diminish employee engagement, lowering morale, reducing job satisfaction, and affecting overall organizational productivity.

**5.3 Impact of Occupational Stress Factors on Employee's Broken Relationships**
Another regression analysis was performed to assess how the same occupational stress factors impact employee's broken relationships

**Table 5.3: Regression Coefficients – Broken Relationship vs Occupational Stress Factors**

| Parameter | Estimate | Std. Error | β | P-Value |
|---|---|---|---|---|
| OS1 | 0.158 | 0.103 | 0.177 | 0.126 |
| OS2 | -0.155 | 0.130 | -0.157 | 0.234 |
| OS3 | 0.032 | 0.125 | 0.028 | 0.800 |
| OS4 | 0.034 | 0.111 | 0.028 | 0.760 |
| OS5 | -0.160 | 0.128 | -0.125 | 0.211 |
| OS6 | 0.060 | 0.071 | 0.057 | 0.404 |

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**Table 5.3.1: Result of Model Summary – The Employee's Broken Relationship vs. the Factors Causing Occupational Stress**

| Model Summary Statistics | Value |
|---|---|
| Multiple R | 0.158 |
| R-Squared | 0.025 |
| R-Squared (adjusted for d.f.) | 0.008 |
| Standard Error of Estimate | 1.05072 |
| Durbin-Watson Statistic | 1.437 |

Source: Primary Data

**Table 5.3.2: Result of ANOVA – The Employee's Broken Relationship vs. the Factors Causing Occupational Stress**

| Source | Sum of Squares | df | Mean Square | F-Ratio | P-Value |
|---|---|---|---|---|---|
| Regression | 9.558 | 6 | 1.593 | 1.443 | 0.197 |
| Residual | 374.257 | 339 | 1.104 | | |
| Total | 383.815 | 345 | | | |

Source: Primary Data

*The fitted regression model is:*

*Y (Broken Relationship) = 3.011 + 0.158(Workload Variance) – 0.155(Working Condition) + 0.032(Role Conflict & Role Ambiguity) + 0.034(Job Security & Promotion) – 0.160(Superior/Subordinate Face-Offs) + 0.060(Participation in Decision Making & Authority)*

Inference:

The regression model did not attain statistical significance (F = 1.443, p = 0.197), indicating a weak predictive relationship between occupational stress variables and broken relationships. The model accounts for only 2.5% of the variance in broken relationships, suggesting a negligible explanatory power. Furthermore, none of the predictor variables were statistically significant at the 0.05 level.

Interpretation:

This implies that, within the context of private insurance companies, occupational stress factors considered in this model do not have a substantial or direct impact on broken interpersonal relationships. Other external or personal factors may be contributing more significantly to such outcomes, which are beyond the scope of this particular model.However, unresolved interpersonal conflicts—regardless of their direct statistical link—can still affect employee engagement and well-being by creating a tense work environment, lowering team morale, and reducing collaboration and emotional safety at the workplace.

### 5.4 Impact of Occupational Stress Factors on Employee's Performance & Productivity

A multiple regression analysis was performed to analyze how occupational stress dimensions affect employee performance and productivity. Six predictors were evaluated: Workload Variance (OS1), Working Conditions (OS2), Role Conflict & Ambiguity (OS3), Job Security & Promotion (OS4), Superior/Subordinate Face-Offs (OS5), and Participation in Decision Making & Authority (OS6).

**Table 5.4.1: Regression Coefficients – Performance & Productivity vs Occupational Stress Factors**

| Parameter | Estimate | Std. Error | β | P-Value |
|---|---|---|---|---|
| OS1 | 0.102 | 0.103 | 0.115 | 0.321 |
| OS2 | -0.144 | 0.130 | -0.146 | 0.267 |
| OS3 | 0.136 | 0.125 | 0.119 | 0.278 |
| OS4 | 0.068 | 0.112 | 0.057 | 0.544 |
| OS5 | -0.219 | 0.128 | -0.171 | 0.088 |
| OS6 | 0.046 | 0.071 | 0.044 | 0.517 |

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**Table 5.4.2: Result of Model Summary – The Employee's Performance & Productivity vs. the Factors Causing Occupational Stress**

| Model Summary Statistics | Value |
|---|---|
| Multiple R | 0.153 |
| R-Squared | 0.023 |
| R-Squared (adjusted for d.f.) | 0.006 |
| Standard Error of Estimate | 1.05258 |
| Durbin-Watson Statistic | 1.205 |

Source: Primary Data

**Table 5.4.3: Result of ANOVA – The Employee's Performance & Productivity vs. the Factors Causing Occupational Stress**

| Source | Sum of Squares | df | Mean Square | F-Ratio | P-Value |
|---|---|---|---|---|---|
| Regression | 8.967 | 6 | 1.494 | 1.349 | 0.235 |
| Residual | 375.584 | 339 | 1.108 | | |
| Total | 384.530 | 345 | | | |

Source: Primary Data

*The fitted regression model is:*

*Y (Performance & Productivity) = 3.114 + 0.102(Workload Variance) – 0.144(Working Condition) + 0.136(Role Conflict & Role Ambiguity) + 0.068(Job Security & Promotion) – 0.219(Superior/Subordinate Face-Offs) + 0.046(Participation in Decision Making & Authority)*

Inference:

The regression model is not statistically significant overall (F = 1.349, p = 0.235), indicating that occupational stress variables considered in this analysis have limited predictive power on employee performance and productivity. The model explains only 2.3% of the variance in performance outcomes, and none of the stress dimensions were statistically significant at the 0.05 level.

Interpretation

Despite the lack of statistical significance, Superior/Subordinate Face-Offs (β = -0.171) and Working Conditions (β = -0.146) show the strongest potential negative influence on performance, suggesting that strained leadership dynamics and unfavorable work environments may hinder productivity. Conversely, Role Conflict & Ambiguity and Participation in Decision Making display weak but positive influences, hinting at possible benefits from clarity and involvement, though not strongly evidenced in this model.Even with limited statistical impact, these stress-related factors can still affect employee engagement and well-being by reducing motivation, confidence, and job satisfaction—ultimately influencing long-term performance outcomes in insurance companies.

**5.5 Impact of Occupational Stress Factors on Employee's Absenteeism**

This regression analysis examined the influence of six occupational stress factors on employee absenteeism. These predictors include: Workload Variance (OS1), Working Conditions (OS2), Role Conflict & Ambiguity (OS3), Job Security & Promotion (OS4), Superior/Subordinate Face-Offs (OS5), and Participation in Decision Making & Authority (OS6).

**Table 5.5.1: Regression Coefficients – Absenteeism vs Occupational Stress Factors**

| Parameter | Estimate | Std. Error | β | P-Value |
|---|---|---|---|---|
| OS1 | -0.084 | 0.136 | -0.072 | 0.536 |
| OS2 | 0.036 | 0.172 | 0.027 | 0.835 |
| OS3 | 0.064 | 0.166 | 0.042 | 0.702 |
| OS4 | -0.164 | 0.148 | -0.104 | 0.267 |
| OS5 | 0.089 | 0.170 | 0.053 | 0.599 |
| OS6 | 0.067 | 0.095 | 0.049 | 0.480 |

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**Table 5.5.2: Result of Model Summary – The Employee's Absenteeism vs. the Factors Causing Occupational Stress**

| Model Summary Statistics | Value |
|---|---|
| Multiple R | 0.122 |
| R-Squared | 0.015 |
| R-Squared (adjusted for d.f.) | -0.003 |
| Standard Error of Estimate | 1.395 |
| Durbin-Watson Statistic | 1.672 |

Source: Primary Data

**Table 5.5.3: Result of ANOVA – The Employee's Absenteeism vs. the Factors Causing Occupational Stress**

| Source | Sum of Squares | df | Mean Square | F-Ratio | P-Value |
|---|---|---|---|---|---|
| Regression | 9.922 | 6 | 1.654 | 0.850 | 0.532 |
| Residual | 659.476 | 339 | 1.945 | | |
| Total | 669.399 | 345 | | | |

Source: Primary Data

*The fitted regression model is:*

*Y (Absenteeism) = 2.917 – 0.084(Workload Variance) + 0.036(Working Condition) + 0.064(Role Conflict & Role Ambiguity) + 0.164(Job Security & Promotion) + 0.089(Superior/Subordinate Face-Offs) + 0.067(Participation in Decision Making & Authority)*

Inference:

The regression model did not demonstrate statistical significance ($F = 0.850$, $p = 0.532$), indicating that occupational stress variables have minimal predictive value for employee absenteeism. The model explains only 1.5% of the variance in absenteeism, with an adjusted $R^2$ close to zero, confirming a weak overall fit. None of the predictors reached statistical significance at the 0.05 level.Among the variables, Job Security ($\beta = -0.104$) and Superior/Subordinate Face-Offs ($\beta = 0.053$) showed slightly stronger but still weak associations with absenteeism.

Interpretation :

These results suggest that, in this context, absenteeism is likely influenced by other factors not captured within the scope of occupational stress.While occupational stress may not directly predict absenteeism in this sample, unresolved stressors can still undermine employee well-being and engagement over time, potentially leading to indirect effects such as burnout, disengagement, or long-term attrition in private insurance companies.

## 6.MAJOR FINDINGS

1. Occupational Stress and Employee Health:

A statistically significant regression model ($F = 9.836$, $p < 0.001$) indicates that occupational stress factors explain 14.8% of the variance in employee health problems.

- Key predictors include
  - Superior/Subordinate Face-Offs ($\beta = 0.317$, $p = 0.001$)
  - Workload Variance ($\beta = 0.260$, $p = 0.016$)
  - Participation in Decision Making ($\beta = 0.213$, $p = 0.001$)

2. Occupational Stress and Broken Relationships:

The model did not show statistical significance ($F = 1.443$, $p = 0.197$), explaining only 2.5% of variance.No occupational stress variables had a significant effect on broken relationships.

3. Occupational Stress and Employee Performance & Productivity:

The model was not statistically significant ($F = 1.349$, $p = 0.235$), accounting for just 2.3% of variance.However, Superior/Subordinate Face-Offs ($\beta = -0.171$) showed the strongest negative potential impact.

4. Occupational Stress and Absenteeism:

The regression model was not significant ($F = 0.850$, $p = 0.532$) and explained only 1.5% of the variance. Job Security and Superior/Subordinate Face-Offs showed slight effects but were not statistically significant.

## 7.SUGGESTIONS

A. Promote Employee Engagement Initiatives:
- Foster an inclusive culture where employees feel valued, supported, and emotionally connected to their roles.
- Use regular engagement surveys and feedback systems to track emotional commitment levels.
B.Ensure work-life balance practices are promoted to sustain long-term well-being.
1. Improve Superior–Subordinate Relations:
- Conduct regular leadership training and conflict resolution workshops to foster a more respectful and collaborative work environment.
2. Manage Workload Effectively:
- Implement resource balancing tools and periodic workload audits to prevent excessive work pressure and improve task distribution.
3. Encourage Participatory Decision Making:
- Involve employees in strategic and operational decisions to enhance their sense of control and engagement.
4. Provide Stress Management Programs:
- Introduce wellness programs, employee assistance counseling, and relaxation activities (like yoga, mindfulness) within organizations.
5. Strengthen Job Security and Career Growth:
- Offer transparent promotion policies and job security assurances to reduce insecurity-induced stress.
6. Monitor Hidden Stress Indicators:
- Since absenteeism and performance weren't directly predicted by stress variables, managers should watch for indirect signs of burnout, demotivation, and withdrawal behavior.

## 8.CONCLUSION

The interplay between stress, well-being, and engagement cannot be overlooked. The results demonstrate that even when occupational stress does not directly influence performance metrics, its detrimental effects on well-being indirectly affect employee engagement, morale, and retention. Future HR strategies must be designed with integrated wellness and engagement frameworks.

The study clearly identifies that occupational stress, particularly factors like workload variance, poor supervisory relationships, and lack of participation in decision making, significantly influence employee well-being in Karnataka's private insurance sector. However, these stress factors show limited direct impact on employee engagement metrics such as absenteeism and performance—suggesting that other organizational, psychological, or external factors may mediate these outcomes.

Although not all models reached statistical significance, the findings emphasize the importance of a healthy organizational climate in maintaining employee well-being. Addressing key workplace stressors will not only enhance mental and physical health but also indirectly strengthen employee engagement and productivity in the long term.

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