Stress is a condition of strain that has a direct bearing on emotions, thought process and physical conditions of a person. Today workplace stress is becoming a major issue and a matter which needs to be given attention for the employees and the organisation as a whole. As the economy becomes global and competition increases in the battle for market shares and survival, pressure mounts on workers. During the past decade, the retail and insurance sector have undergone rapid and striking changes like policy changes due to globalisation, liberalisation, introduction of new technologies, etc. Due to these changes, the employees in the retail and insurance sector are experiencing a high level of stress. The advent of technological revolution in all walks of life coupled with globalisation, privatisation policies has drastically changed conventional patterns in all sectors.

This study was conducted to determine the impact of stress on employees and the methods employers use to manage employees’ stress. It was limited to the perceptions of retail and insurance sector employees in Dakshina Kannada district, who were selected using a non probability, simple random sampling method. A questionnaire consisting of three parts was sued to collect primary data. The collected data were analyzed and interpreted using simple statistical techniques.

The findings of the data indicated that the areas found to be most negatively affected by stress were multiple reporting lines for employees, lack of interpersonal support or poor working relationships, poor physical working environment. In addition, Lack of control over work activities, insufficient workloads were listed as the areas least affected by stress. According to the results of the study, employers today are offering a wide variety of needed programs to manage the stress of their employees. One of the main conclusions drawn from the study was that stress does not negatively affect the work performance of employees. Therefore, stress is not just an individual issue but an issue that must be addressed by both the employer and the employee; the work performance areas negatively affected have a direct effect on the company as a whole.