

Stress Transmission in the Workplace: Examining Managerial Stress, Leadership Effectiveness, and Employee Well-being in the Pharmaceutical Industry



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ABSTRACT

Workplace stress (WPS) is common in high-demanding industries burdened with stringent regulatory compliance and operational constraints. While WPS has been studied from the employee perspective, the role of leadership stress and its subsequent effect on subordinates has received limited attention. The study aims to address this gap in literature by examining how leadership stress permeates down to the subordinates, and affects their professional outcomes and personal wellbeing. Semi-structured interviews were conducted with a pharmaceutical company based in Indore, India. A total of 50 people were interviewed comprising 25 managers and 25 employees. Our findings show that operational constraints, stringent regulations and workload intensity were the main factors catalyzing managerial stress. While some leaders transmitted the stress to their employees, others chose to absorb it in order to prevent any spillover effects. Further, stress transmission was not verbal; rather it was implicit and behavioral, manifesting in communication cues guiding everyday interactions. The study contributes to the literature by demonstrating how the manager-employee relational paradigm contributes to workplace stress. Besides, it also shows that both managers and employees adopt coping strategies to deal with stress including spirituality, meditation, planning, prioritizing, and reflection.

Key Words Leadership stress; Stress transmission; Employee well-being; Leadership effectiveness; Organizational sustainability; Pharmaceutical industry

1. Introduction

Workplace stress is one of the most persistent challenges for organizations, affecting employee well-being. While earlier research focused on employee stress, recent studies have increasingly examined leaders, who face constant pressure for decision making, performance management, and conflict resolution (Security Providing Leadership and Work Stress in Spanish Air Force, 2024). In fast-moving and highly regulated environments, such as the pharmaceutical industry, these pressures are particularly intense.

Stress is rarely an individual experience and is often transmitted through daily interactions, impacting employee morale and well-being in professional settings. This especially holds true for managers functioning under stress, who then let it permeate down to the employees, affecting their morale, performance and psychological state. Managing stress varies from one individual to another, with some managers demonstrating ability to absorb the shocks and buffer their employees from its adverse impacts. Such leaders inspire engagement and resilience (When Your Boss Is Under Pressure, 2024; Building Employee Engagement and Resilience Through Strengths-Based Leadership, 2024). However, not all leaders can cope with stress, allowing it to filter down to their teams through

subtle communications cues, tighter monitoring, or other such implicit and behavioral cues.

Although leadership behaviors such as transformational, abusive, or laissez-faire styles have been widely examined in relation to employee well-being, the leader's own stress as a starting point of this process has received limited empirical attention. This gap is especially evident in rapidly developing cities such as Indore, where organizational hierarchies are close-knit and daily interactions are frequent.

This study examines the relationship between leaders' and employees' stress within the pharmaceutical industry. Our findings contribute to a relational understanding of leadership and organizational well-being.

The above discussion shows that leadership stress directly impacts employees' psychological well-being and productivity, and going beyond, organizational efficiency and its long-term sustainability. This assumes greater significance in industries functioning under the tremendous pressures of compliance, precision and operational constraints, such as the pharmaceutical industry, where stressed leadership can have a great bearing on organizational functioning and growth.

1.1 Problem Statement

Despite growing awareness of workplace stress, much of leadership research has examined visible behaviors such as transformational, ethical, or abusive leadership and their impact on employees (Harms et al., 2017; Skakon et al., 2010). Yet, the role of leadership stress in impacting subordinate behavior and output has not been adequately examined. A leader operating under significant pressure may inadvertently exhibit adverse behaviors, such as irritability, emotional volatility, and overcontrol, which may impact the psychological well-being of the employees (Leadership Inconsistency and Follower Strain, 2024). When this leadership stress remains unmanaged, employees' psychological health is impacted. This gap in understanding is especially relevant in highly demanding industries like the pharmaceutical sector, and is further aggravated by the limited research attention given to the Indian organizational context. An understanding into how a leader's mental state filters down and affects the psychological well-being of employees is, therefore, important to build more constructive leadership behaviors and consequently, organizations that are sustainable in the long term.

1.2 Objectives of the Study

The study aims to address the following research questions (RQs)

RQ1: How do leaders experience and interpret stress in a high-pressure pharmaceutical work environment?

RQ2: How is leaders' stress transmitted to employees through everyday interactions and leadership behaviors?

RQ3: What leadership practices and personal strategies help buffer or reduce stress transmission in the workplace?

2. Literature Review

2.1 Theme 1: Leader Stress and Stress Transmission

Leaders often experience stress due to decision-making responsibilities, workload pressures, and accountability demands. This stress does not remain confined to the individual leader but is often transmitted to employees through emotional expressions and behavioral cues. Emotional contagion theory explains how employees unconsciously mirror leaders' stress reactions, particularly in close working relationships. Empirical studies indicate a positive association between leaders' and employees' stress, leading to emotional exhaustion and reduced well-being, particularly in high-pressure environments. (Key refs: Skakon et al., 2010; Harms et al., 2017)

2.2 Theme 2: Leadership Styles and Employee Stress Outcomes

While leaders' stress sets the emotional tone, leadership style determines how deeply that stress is experienced within teams. Supportive, emotionally regulated leadership can buffer employees from stress, even under high job demands, while unsupportive leadership, manifesting in negative behaviors can increase stress among them. Research finds that leadership stress transmits from the managers to the employees through their daily interactions, influencing their well-being and how they respond to workplace pressure.

(Key refs: Kaluza et al., 2020)

2.3 Theme 3: Relational and Psychological Mechanisms in Stress Transmission

The relationship between leaders and their subordinates greatly impacts employee performance. Cordial relationships build trust, clarity, and mutual respect among employees, providing them the much-needed emotional support to cope and perform in high-stakes environments. On the other hand, weak or strained relationships increase workplace stress, undermining both individual and organizational performance. Stress at the workplace is not restricted to the individual but impacts the entire team, and more so managerial stress, which permeates to the subordinates through daily interactions.

(Key refs: Graen & Uhl-Bien, 1995)

2.4 Theme 4: Organizational Context and Stress Outcomes

Stress transmission within the workplace greatly depends on the organizational culture and environment. The more high-pressure industries, for example, the pharmaceuticals industry, have to fulfill regulatory and compliance pressures, and also deal with limited resources, which can inadvertently add to the stress at the workplace. In such cases, clear communication, and a flexible and supportive work environment can greatly offset the emotional spillovers. A rigid culture, on the other hand, can amplify its transmission.

(Key refs: Bakker & Demerouti, 2017)

2.5 Theme 5: Workplace Stress Outcomes

Stress that remains unaddressed over the long period can adversely impact both individual and organizational performance, leading to anxiety and burnout. This, in turn, can manifest in reduced engagement, and increased absenteeism and attrition.

(Key refs: Sonnentag & Fritz, 2015)

2.6 Theme 6: Leadership, Human Capital, and Organizational Sustainability

Recent studies have shown that leadership practices directly impact the performance of their teams. Employees are a critical human resource and their well-being is crucial to achieve optimized performance. Therefore, ensuring their psychological wellbeing becomes pertinent to the organization. Leaders who can well manage their stress can not only buffer their employees from its harmful effects but also adopt a more proactive approach to address its root causes. However, those who let stress filter down to their team can weaken their human capital, leading to increased burnouts, disengagement with work, and greater turnover intentions. Leadership-driven stress gains greater emphasis in high-pressure industries, such as the pharmaceutical sector, where filtered down stress can impact employee morale and operational efficiency.

(Key refs: Ehnert, 2009)

2.7 Synthesis and Transition to Methodology

A review of existing literature shows that leadership stress transmits to the subordinates, greatly impacting the manager-employee relationship, altering their emotional exchanges, as also their relational patterns and organizational environment. The review, conducted in the context of an Indian pharmaceutical company, sets the ground to study the role of managerial stress in altering employee relationships, their psychological health, and ultimately, their productivity. The **Methodology** section below details the research design and methodology adopted to conduct the study.

3. Research Methodology

3.1 Research Design and Approach

We followed a mix-methods approach consisting of both qualitative and quantitative analyses. We first adopted a quantitative research design to examine how managerial stress leads to employee stress, impacting their psychological health and productivity. Next, we conducted qualitative field-based analysis to glean insights into lived experiences of participants, their perceptions, and interpersonal dynamics. The study is specifically set in the pharmaceutical industry, governed by high regulatory demands, operational pressures, and strict timelines.

3.2 Research Setting and Participants

Our data sample comprised of 50 participants belonging to a pharmaceutical manufacturing company in Indore, India. Purposive sampling was used to select the respondents of which 25 were leaders heading departments such as Operations, Quality Assurance, Production, Engineering, Warehouse, Safety, and Human Resources. A total of

25 employees too were selected from the same departments to capture their perspectives on managerial stress within the same organizational environment and hierarchies.

3.3 Data Collection

Semi-structured interviews were conducted face-to-face with the participants, allowing them to express their experiences. This process also allowed for consistency across the interviews. The purpose was to understand the causes of work-related stress, emotional spillover arising as a consequence, the change in communication and decision-making arising from therein, and the role of personal values and mindfulness in managing stress. All interviews were conducted in English and Hindi, and with participant consent, they were audio recorded and then transcribed verbatim. Confidentiality and anonymity were assured to encourage honest responses.

3.4 Data Analysis

The transcribed interviews were next subjected to inductive thematic analysis. This inductive process, carried it using NVivo software, involved a series of steps: familiarization with the data, initial coding, theme development, and refinement. NVivo helped to structure codes, identify recurring patterns, and conduct a comparative examination of the findings gleaned from both leaders and employees, including the analysis of sentiment trends. The interpretive process was grounded in researchers' judgment, ensuring that meaning-making was contextually grounded.

This methodology provides insights into how leaders experience stress and transmit it to their team members within the organization. Our analysis captures both employee and leadership perspectives, offering valuable insights for creating and implementing appropriate strategies and training programs to manage leadership stress and create more conducive work environments, thereby contributing to the long-term sustainability of the organizations.

3.5 Ethical Considerations and Trustworthiness

We made sure that our study was in line with the ethical principles. Participation was voluntary, and all respondents were assured of confidentiality. Accordingly, they were anonymized using codes (L-01 to L-25; E-01 to E-25). The data collected was solely used for academic purposes.

4. Results and Analysis

This section details the key findings from the thematic analysis of leaders/employees' interviews. The findings shed light on how leadership stress generates and permeates down the hierarchy in a

high-pressure organizational environment, as reflected in a pharmaceutical company.

4.1 Organizational Sources of Stress

The analysis of interviews of both leaders and employees brought to light that stress could be greatly attributed to the structural and operational aspects of the company, with the major pain points including compliance requirements, time-bound operational constraints, such as logistics delays, equipment breakdowns, documentation, manpower

shortages, production targets, safety responsibilities, and regulatory audits. These problems were all the more compounded for employees in departments such as Quality Assurance, Purchase, and Safety, which mandated zero-error tolerance and high regulatory compliance. For the leadership, the stress points were dispatch deadlines, audits, and accountability pressures. Based on findings, it can be stated that that workplace stress is both **chronic and systemic**, arising from the stringent demands associated with a highly regulated industry.

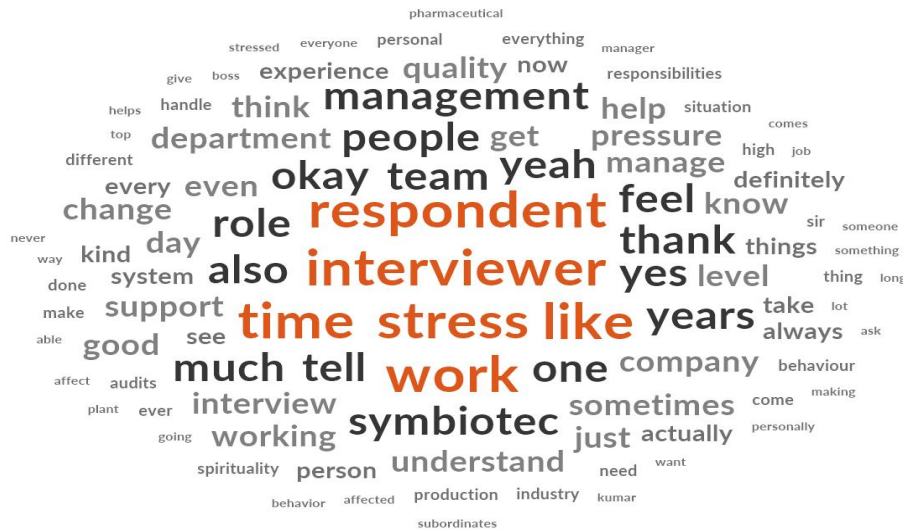


Figure 1: The word cloud from Nvivo software shows that workplace stress is closely associated with daily work, time pressures, and management roles.

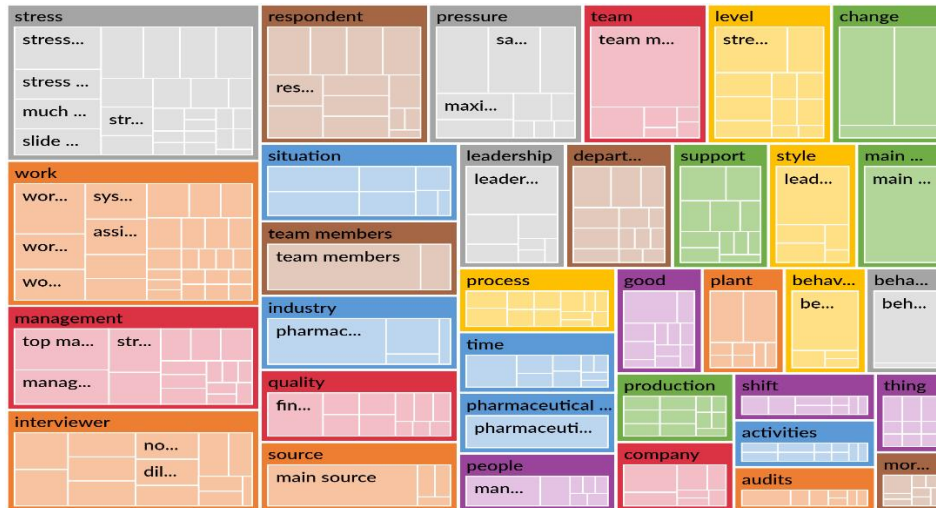


Figure 2: The tree map form NVivo suggests that stress in the workplace is shaped by everyday work demands, leadership roles, and ongoing organizational processes.

4.2 Leadership Behavior under Stress: Buffering and Amplification

Interestingly, a key finding emerging from the thematic analysis is that leaders were both transmitters and absorbers of stress. They too had to consciously absorb pressure from the senior

management and external shareholders, ensuring compliance, meeting tight deadlines, and constantly buffering their teams against any fallout. This was also collaborated by the employees who stated that their team heads were generally ‘shock absorbers,’ however, the stress sometimes spilled over to them

also. This buffering behavior was manifested in calm and clear communication and focus on constructive problem-solving. However, the ability to absorb and buffer varied from one leader to another with some responding to pressure through increased monitoring, sharper tones and urgency in communication. While the leaders were not overtly aggressive, employees could decipher the change in behavior and the signals pointing to increased stress. This variation highlights a key mediating role of leadership behavior, defining whether leaders absorb or transmit stress to their subordinates.

These variations in managerial response to stress have a direct impact on employee well-being and productivity, and at the macro-level, they also affect organizational performance and sustainability.

4.3 Stress Transmission Mechanisms

Stress transmission was more intrinsic than extrinsic, manifesting through gestures such as sharper tone in communication, frequent follow-ups, and silence during audits. These cues built tension in the environment, even in the face of seemingly absence of any point of conflict. Some employees described morning meetings as showing excessive urgency or targeting a particular employee. This affected collective employee morale and their emotional states throughout the day. Some leaders also admitted that stress caused a change in their

behavior for the worse, which affected team performance. These findings from lived experiences support a relational understanding of how stress permeates from leaders to employees.

The implicit methods that enable the transmission of stress can greatly impact employees' psychological health and engagement with their work. Over the period, this leadership-employee relational link, mediated by stress, can hold significant implications for organizational productivity.

4.4 Emotional and Personal Spillover Effects

Employees also described the fallout of leadership stress on their productivity and morale with some stating that it led them to doubt their abilities, which in turn, led to job insecurity. In some cases, the workplace stress spilled over into their personal lives, affecting their families and relationships. Leaders, on the other hand, viewed their stress as a cognitive response taking the form of increased responsibility or professional challenge. These differences in perspectives show how stress is internalized across the hierarchy.

Figure 3 illustrates comparative sentiment patterns emerging from employee and leadership perspectives. The neutral leader accounts, along with stronger negative undertones in employee experiences, point to implicit stress transmission.

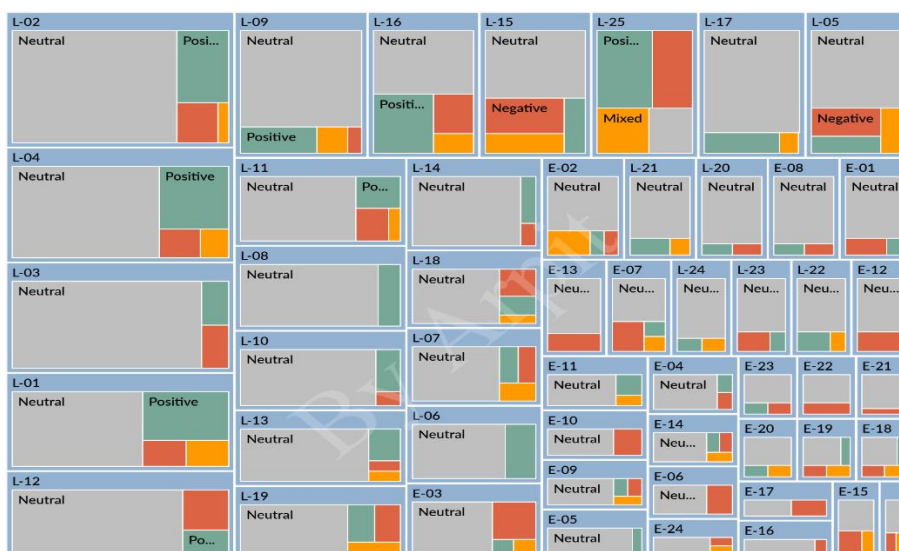


Figure 3. Comparative sentiment patterns across leader and employee narratives from NVivo

Sentiment analysis highlights this divergence with leaders' accounts pivoting towards the neutral, frequently framed with positive reinterpretations. On the other hand, employees' narratives conveyed more distinct negative undertones. These narratives show how leadership stress can go beyond individual experiences, filtering down the team,

impacting individual health and productivity of the team members, and the organization.

4.5 Coping, Resilience, and Inner Regulation

Interestingly, both leaders and employees stated that they used coping strategies to deal with stress. Many focused on planning, conducting root-cause analysis, prioritizing job responsibilities, and

ensuring clear communication. However, some turned to spirituality, mindfulness and introspection to calm their minds and emotions. These practices helped them counter stress, achieve some level of detachment and manage their emotional reactions. Such coping mechanisms can help employees maintain their emotional balance and attain a level of detachment. This in turn ensures that they respond rather than react to any situation. Over time, this leads to resilient employees and more productive workplaces.

4.6 Summary of Findings

Our results show that workplace stress transmission is largely implicit, behavioral and relational. It is largely transmitted or absorbed via leadership behavior and psychological state. Interestingly, both leaders and employees use personal coping strategies to deal with stress.

Our results show that leadership stress filtering down the hierarchy takes a more implicit route, manifesting in change in communication patterns between the leader and the employees. Both leaders and employees employ coping mechanisms to deal with stress. The finding reiterates the need to manage leadership-level stress to build resilient teams and ensure sustainable organizational environments.

5. Discussion and Conclusion

The study shows how leadership stress is transmitted to the subordinates within the context of a pharmaceutical company based in Indore, India. In highly regulated environments, as reflected in the firm under study, stress transmission is systematic and chronic, largely attributed to factors such as high-performance targets, stringent regulatory compliance, and operational constraints, common to high-pressure environments. The stress from leader to employee is transmitted through daily interactions with communication becoming sharper and affecting the leader-team dynamics.

The study makes a key contribution, that is, leadership behavior is the main conduit of stress transmission. Some leaders transmit their stress to the team through change in behavior, excessive monitoring and urgency, while others seek to absorb and buffer their subordinates from its harmful effects. Employees were seen to be highly perceptive to the change in behavior in their leaders manifesting in subtle cues such as change in communication style and excessive monitoring. Our finding, thus, suggest stress transmission is more behavioral than verbal. There is also difference in how the managers and the employees internalize stress. Some leaders may respond more cognitively taking on more responsibilities or pushing their boundaries; the employees on the other hand, are more likely to internalize the stress, feeling insecure

about their abilities. This may then affect their performance and the stress may even spillover into their personal lives.

Interestingly, both employees and managers are seen to apply coping strategies, for instance, conducting root-cause analysis to address the circumstances causing stress. Or, they turn to spirituality, meditation, and mindfulness to attain detachment, and calm their emotions and mind. These internalized coping strategies align with the teaching of Bhagavad Gita, particularly those emphasizing self-regulation, equanimity, and responding rather than reacting. Teachings of the sacred text, particularly, *sthita-prajna* (emotional steadiness) and *nishkama karma* (duty-oriented action without attachment to outcomes) can help both managers and employees to cope with present day stress and create more conducive work environments.

In sum, workplace stress coping strategies need to consider managerial level stress given that it can transmit to their team members through their daily interactions, impacting their morale and performance. Our findings hold great relevance for high-demanding industries where performance challenges can be greatly aggravated by the stringent regulatory environment and operational constraints, in our case, the pharmaceutical industry. Internalized coping strategies such as meditation and mindfulness can reduce stress transmission and promote sustainable organizational well-being.

The findings show that the adverse impacts of stress are not confined to individuals but impact the manager-employee dynamics. Thus, how leaders cope with stress shape employees' psychological well-being and their productivity. A conducive workplace enhances engagement and vice versa. Thus, this study reiterates that managing leadership-level stress is critical for enhancing employee well-being, and strengthening organizational resilience and performance. This especially gains relevance in high-pressure industries such as pharmaceuticals, faced with consistent performance and precision pressures. In such scenarios, the ability of leaders to regulate and manage stress is critical to build resilient teams, and support sustainable organizational functioning.

6. Practical Suggestions and Implications

Our findings offer several implications for high-pressure organizations. These are listed below.

6.1 Leader Stress Management

Leaders should be acknowledged as primary stress carriers within the organizational hierarchy. This implies that stress management interventions should also be designed to include leaders and not just focus on the employees. These programs should include training on methods to raise

emotional awareness, self-regulation, and reflective decision-making in order to reduce any inadvertent transmission of stress.

6.2 Buffering Leadership

The findings highlight that some managers are better at coping with stress than others, preferring to absorb than transmit, thus, buffering their teams from any spillover effects. Organizations may encourage such practices by promoting cordial communication, problem-solving than people-focusing, and task clarity during high-stress scenarios, such as audits and meeting deadlines.

6.3 Mindfulness and Reflection

Well-being programs such as moments of silence, mindful breathing, and brief reflective pauses before meetings can help leaders regulate their emotions. These practices find reflection in the **Bhagavad Gita**, specifically those on *sthita-prajna*, which emphasizes emotional steadiness amid external pressures.

6.4 Duty-Oriented Leadership

Excessive outcome pressure can cause leadership stress and subsequently its transmission across the hierarchy. Leaders should adopt a more detached duty-oriented approach, aligned with Bhagwad Gita's principle of *nishkama karma*, which encourages detached karma than focus on the results, thereby supporting composure and psychological safety within teams.

6.5 Safe Communication

Organizations should discourage blame-oriented or "targeting" behaviors during meetings, especially in high-stress periods. Promoting open and respectful interactions can significantly reduce fear, self-doubt, and emotional spillovers. These practices highlight the need to incorporate leadership stress management practices into organizational strategies. When leaders regulate their stress, they help create supportive environments. This in turn enhances employee well-being, building trust and team cohesion. Over time, such leadership practices create resilient workforces capable of sustaining performance under pressure. In high-demand sectors such as the pharmaceutical industry, embedding these approaches within organizational culture can support long-term effectiveness and foster more sustainable and high-performing organizations.

7. Contribution to Theory and Practice

This study enriches the stress transmission theory, by demonstrating the role of leadership stress in impacting employee morale and the subsequent impact on their performance. It also shows that the stress permeates through implicit behavioral cues

reflected in daily interactions between the leaders and the employees. Our findings also stress on the need to design and implement spirituality-based interventions to reduce stress and create a healthy, respectful workplace.

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