

JOB STRESS AND ITS EFFECT ON EMPLOYEE PERFORMANCE IN BANKING SECTOR

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ABSTRACT

Workplace stress has been shown to have a detrimental effect on the health and wellbeing of employees, as well as a negative impact on workplace productivity and profits. Some of the reasons of occupational stress could be the inability to meet out the demands of the job, mismatch with job profile, job insecurity, relationship with colleagues and other organizational structural factors. In today's rapid pace scenario employees undergo high level of occupational stress, grater frustration, and have higher job expectations. There are measures that individuals and organizations can take to alleviate the negative impact of stress, or to stop it from arising in the first place. However, employees first need to learn to recognize the signs that indicate they are feeling stressed out, and employers need to be aware of the effects that stress has on their employees' health as well as on company profits. This paper evaluates empirically the impact of occupational stress on employees' performance in Banks. For present study, the sample was collected from Banks of major cities of Rajasthan State. Relevant data were collected through structures questionnaire. The Z-test was used to analyze the hypothesis. The result showed that occupational stress brings about subjective effects such as fear, anger and anxiety among employees resulting in poor mental and psychological health. Based on these findings, it was recommended that Banks should reduce psychological strain, job insecurity, and clear role ambiguity, through job redesign. Other support activities such as behavioural and psychological counselling and short term courses on time management and workshop on stress management can be organized.

Keywords: *Occupational/Job Stress, Employee Performance, Stress Management.*

Introduction:

Stress is much in the news at present but it isn't a new problem. Pressure is part and parcel of all work and helps to keep us motivated. But excessive pressure can lead to stress which undermines performance, is costly to employers and can make people ill. Now-a-days stress has become an integral part of jobs in every sector. Competition is growing day by day thus increasing the levels of stress among employees. An employee spend almost one third of his life on work, and sometimes he has to face a lot of stress during his/her job. The nature of the job has gone through extreme changes over the last decade and it is still changing rapidly. Stress in a workplace has touched almost all professions, starting from executive levels to co-workers who are directly engaged in the production. The result of the Job stress ultimately

affects the physical as well as mental health. Stress has been defined in different ways over the years .It is a condition in which any human is confronted with an opportunity or demand related to what they desire and for which the outcome is perceived to be both uncertain and important. There are number of studies and surveys have been conducted by the researchers throughout the world for suggesting improved techniques to manage stress. Some of the reasons of work stress may be: Interpersonal causes, role demand, task demand, structure of the organization, style of leadership, organizational work culture etc. *Interpersonal causes* are due to interpersonal relationship at work place, when employees found unsupportive environment or any personal remark from others at work place. *Role demand* includes role conflict, role ambiguity, role erosion and over

expectation from role. *Task demand* are factors related to employees' job/work i.e. design of work, interdependence of different task, working condition and lay out for work. *Organizational structure* represented by hierarchical relationship of various levels, lack of cooperation among different levels lead to work stress. *Leadership style* is the style managers using to direct and guide subordinates and followers at work. If autocratic or strict managerial style used to get the work done from people, leads to work stress. *Organizational Culture* is the shared values and belief which governs employees of organization to contribute for organizational performance, unhealthy work culture and climate causes for work stress. Other causes may be excessive work pressure, to meet deadlines, to be creative, working overtime and on holidays, not being promoted, change of job, work against will, harassment, etc.

Review of Literature:

Occupational stress is defined as the perception of a discrepancy between environmental demands (stressors) and individual capacities to fill these demands (Topper, 2007; Vermut and Steensma, 2005; Ornels and Kleiner, 2003; Varca, 1999). Christo and Pienaar (2006) for example, argued that the causes of occupational stress include perceived loss of job, and security, sitting for long periods of time or heavy lifting, lack of safety, complexity of repetitiveness and lack of autonomy in the job. Ivancevich *et al.* (2008) defined job stress as the programmed response of the individual towards a group of threats called stressors, according to Brown and Harvey (2006) it is the interaction between the individual and the environment which as a result may affect his mental and physical conditions. It can be defined as the physical and mental deficit which was caused by a perceived danger (Rue and Byars, 2007). Bashir and Ramay (2010) added that it is the situation caused as a result of several factors like lack of work information and feedback, continuous technological change, or when the individual is unable to cope with his job requirements, or to satisfy his needs.

Jamshed *et al.* (2011) suggested that "The workplace is potentially an important source of stress for bankers because of the amount of time they spent in their respective banks." And that stress often decreases their performance. "Therefore occupation of human could be a major source of stress. When individuals face stress due to various conditions of their occupation and fail to cope with stress, it results into burnout." Work stress is defined as the harmful physical and emotional responses that occur when job requirements do not match the worker's capabilities, resources, and needs (National Institute of Occupational Safety and Health 1999). It is recognized world-wide as a major challenge to individual mental and physical health, and

organizational health (ILO 1986). Stressed workers are also more likely to be unhealthy, poorly motivated, less productive and less safe at work. And their organizations are less likely to succeed in a competitive market. By some estimates work-related stress costs the national economy a staggering amount in sick pay, lost productivity, health care and litigation costs (Palmer *et al.* 2004). Work-place stress has received a great deal of attention in social psychological research (Cooper, Dewe, and O'Driscoll, 2001). Significant research findings have documented that prolonged stress has negative effects on individual health (Mohren *et al.*, 2003; Ursin and Eriksen, 2004) as well as on employees' attitudes towards the organization (Cropanzano, Rupp, and Byrne, 2003). Gershon (2000) concur that working under continuously stressful conditions leads to the dissatisfaction and exhaustion of police officers. The stressful conditions that law enforcement officers are exposed can affect both their work-related and their physiological wellbeing. Martinussen *et al.* (2007) found burnout to be one of the most important outcomes of work-related stress because of its exponential impact on professional relationships. There is considerable evidence in the literature on police stress that burnout influences police officers' interactions with the public, and especially their violence towards citizens (Kop *et al.*, 1999); and that burnout also influences work-family conflicts (Mikkelsen and Burke, 2004). Recognizing the factors contributing to stress is highly relevant. The outcomes of job stress exceeds productivity and quality of employees performance, its' psychological influence inverts into a bad lifestyle habits like smoking, over eating, drinking alcohol and lead to serious chronic diseases like hypertension and heart diseases (Owolabi *et al.*, 2012). Employees' constant exposure to stress, if not handled effectively, can be destructive both for them in terms of the quality of their work and their physical and mental state and for the organization where they work (Maslach, 2003). Role conflict according to Mansoor (2011) that is caused by multiplicity of roles and the contradictory requirements and duties between these roles, Rao and Borkar (2012) believed that employees uncertainty of their abilities; if they had sufficient qualifications to fulfill job requirements, lack of knowledge and skills opposite to task demands will end in internal conflict and job stress. Physical environment and how much it is convenience and fit employees' expectations. 5TBuchanan and Huczynski (2004) and Jaramillo *et al.* (2011) provide insights on the interpersonal relations inside the organization, co-workers and conflict inside work groups that can range from hidden behaviours and disagreement up to the physical harm. According to Wilton (2011) the job stress is synchronized with bad quality of life at work,

low degree of autonomy and control over individual jobs, their decisions and the work processes.

Work stress and Performance:

The most important apprehensions in the study of work stress are the adverse impact on employees' performance. Employees suffering with stress at work place, try to withdraw themselves from stressors in terms of high turnover and absenteeism from work. If leaving the job is not easily possible for employees, they may create problems for the management i.e. inefficiency in performance, wastage of operational resources, creating obstacles for subordinates and so on. This may result in worst situation for the organization. The factors associated with the poor performance or negative result in employees' physical and psychological wellbeing at work is also causes for stress. Enduring stressful situation at work create a negative impact not only on employees' performance but also hinders the overall performance at organizational level. It is very complex relationship of work stress and performance and for that organization need to take strategic decisions. According to few of the researches the productivity is considered to be at the peak with moderate level of work stress, but as it goes beyond that certain level, the productivity starts decreasing with increasing rate. It also has been found that the performance of employees remain poor at very low level of stress as well as at very high level of stress, because at low level of stress employees may not be sufficiently energized and may not be whole-heartedly dedicated to their job, resulting in low productivity. And at the peak of stress, employees want to get out of that stressful situation, result in no concentration on work. To analyse and understand the relationship of job stress and job performance, we can conclude that when performance diminishes with stress, negative linear relationship is there. If increasing stress improving the job performance, a positive linear relationship may found. If stress initially improves productivity, and then it diminishes when feelings of distress prevails on employee, then curvilinear or u-shaped relationship is found. Work stress positively affects up to tolerable level and when it exceeds this level, it creates a negative impact on employee performance.

Research Objective:

Present research study has following objectives-

The main objective of study was to analyse the impact of occupational stress on employees' performance at work place.

The secondary objectives were to determine the stressors at work, types of stress and impact work stress on individuals.

Hypothesis of the Research Study:

After understanding the theoretical framework and review of existing literature, on the basis of observations in selected organizations following hypothesis were formulated for present study

H₀ Work stress does not affect the performance of employees in terms of efficiency and productivity

Research Methodology:

Considers the research method, the logic behind the research method, sampling technique, research design, data collection technique, analytical tool, means why the particular method is used by researcher or why the researcher is not using other method, so that the research result are capable of being evaluated by the researchers.

Research Design:

The present study is **Descriptive in nature**. The study will be based on primary data. The Universe of this study is Banks (private/ public) from major cities of Rajasthan state

Sampling:

The basic idea of sampling is that by selecting some of the elements in a population, researcher may draw a conclusion about the entire population. Population means the total collection of elements about which researcher wishes to make some inference. The sample selected should be as representative of the total population as possible in order to produce a miniature cross-section. The selection process is known as sampling technique and the survey so conducted for selecting sample is known as sample survey. In present research study the respondents were selected on nonprobability basis with the help of Judgmental Sampling Technique, elements for the sample will be on the basis of judgment of researcher. While choosing the sample the researcher focused naturally on those elements which were readily available, nearby, easy to reach, willing to participate.

Sample Size:

The number of respondents used in present study as follow – Total 20 Banks selected (namely the branches of SBBJ, SBI, HDFC, ICICI, PNB from Jaipur, Ajmer, Bikaner, Jodhpur) the number of executives were 100 from all banks.

Data Collection:

Evidence are needed and gathered for verifying hypothesis. Thus data is required by the researcher to give conclusions. Data is the fact presented to the researcher from the study's environment. Primary data provides a first-hand account of the situation. Primary data is the only way of finding out opinions, personal

qualities, and attitudes. In present research study structured questionnaire was used by researcher for collecting primary data from bank executives. The questionnaire included two main sections. Section (A) related to demographic variables and section (B) was related to the attitude of respondents towards stressors and impact of stress on their performance. Five point Likert scale was used for rating the responses of section B. i.e. Strongly Agree (SA), Agree (A), Undecided (UD), Disagree (D), and strongly Disagree (SD).

Statistical Analysis:

Out of 100 questionnaires only 80 were used for research analysis because few questionnaires were incomplete and delayed in response. Various descriptive statistics tools for analysis the results of research were used like frequency count, and simple percentage used for ranking to attitude towards stress. To build the interference **Z- test** was used.

Table No 1: Demographic composition of sample population

Particulars	Frequency	Percentage
Gender		
Male	65	81.25
Female	15	18.75
Age range		
Below 30 Yrs	15	18.75
30 Yrs- 40 Yrs	55	68.75
40 Yrs- above	10	12.50
Nature of Job		
Manager	20	25
Operation	32	40
Clearing	28	35
Tenure		
Upto 2 Yrs	8	10
2 yrs-5 yrs	35	43.75
5 yrs to 10 yrs	25	31.25
10 yrs and above	12	15

The demographic composition of sample population was as shown in table- 81.25% of the population was male respondents and only 18.75 was female respondents. Executives falling between the age of upto 30 yrs were 18.75%, majority of the population 68.75% was between the age range of 30 yrs to 40 yrs and remaining 12.50% of the respondents were 40 yrs and above. On the basis of nature of job 25% of the sample population was Managers, 40% was in operation and remaining 35% was in clearing section. 10% bank executives were having experience of upto 2 yrs only, 43.75% were having between 2 yrs to 5 yrs, 31.25% were of

between 5 yrs to 10 yrs and only 15% executives were of more than 10 yrs of experience in bank.

Table No 2: Stressors at work place

Work/Job related factors	SA	%	A	%	UD	%	D	%	SD	%
Nature of work	31	38.75	25	31.25	3	3.75	15	18.75	6	7.5
Lack of career prospects	25	31.25	38	47.5	4	5	8	10	5	6.25
Workplace politics	20	25	22	27.5	3	3.75	24	30	11	13.75
Inadequate resources	33	41.25	29	36.25	2	2.5	12	15	4	5
Insufficient information	30	37.5	28	35	3	3.75	10	12.5	9	11.25
Poor working conditions	36	45	32	40	2	2.5	10	12.5	00	00
Role related factors	SA	%	A	%	UD	%	D	%	SD	%
Role ambiguity	25	31.25	22	27.5	5	6.25	20	25	8	10
Over expectations	30	37.5	25	31.25	2	2.5	18	22.5	5	6.25
Role overload	33	41.25	25	31.25	6	7.5	10	12.5	6	7.5
Personal factors	SA	%	A	%	UD	%	D	%	SD	%
Interpersonal and Intrapersonal conflicts	55	68.75	22	27.5	2	2.5	1	1.25	00	00
Ineffective communication	48	60	28	35	1	1.25	3	3.75	00	00

Table No- 2 shows the response of sample population towards different stressors (work/job related factor, role related factors and personal factors) at work place. Frequency and simple average of executive response towards work/job related factors shows that lack of proper and healthy working conditions leads work stress among bank executives followed by inadequate resources, nature of work itself, insufficient information and lack of career prospects at work place. It has been found in studies that if employees are not happy at work place causing such factors, they can never get satisfied and motivated. And low satisfaction and motivation at work leads to poor performance and productivity.

While analyzing role related factors, we found that overloaded role leads to stress among employees followed by over expectations (personal /subordinates /organizational) and role ambiguity. And in personal stressors we found that interpersonal and intrapersonal conflicts are the major reason of stress amongst employees. It can be stated that if employees are overloaded and facing over expectations (personal /subordinates /organizational), it becomes difficult for them to maintain congenial relationship with subordinates and that leads conflicts and stress at work place.

While analysing the effect of stress on the performance of bank executives we found that stress largely increases the level of fear, anger, anxiety and nervousness. And simultaneously reduces the level of satisfaction and confidence among employees which causes behavioural consequences and physiological consequences.

Table No 3: Impact of stressors

Impact of stress on respondents	SA	%	A	%	UD	%	D	%	SD	%
Low level of job satisfaction, low confidence	54	67.5	25	31.25	1	1.25	00	00	00	00
Cognitive effect (poor concentration, poor decision making)	50	62.5	28	35	00	00	1	1.25	1	1.25
Subjective effect (fear, anger, anxiety, nervousness)	62	77.5	15	18.75	1	1.25	1	1.25	1	1.25
Behavioural effect (depression, hopelessness, low productivity, absenteeism, turnover)	48	60	28	35	1	1.25	2	2.5	1	1.25
Physiological effect (poor health, headache, high blood pressure, heart disease)	44	55	34	42.5	1	1.25	1	1.25	00	00

Hypothesis testing:

Response	Cod e (x)	Frequenc y (f)	Fx	x-x̄	(x-x̄) ²	f(x-x̄) ²
Strongly Agree	5	51.6	258	.50	.250	12.9
Agree	4	26	104	-.50	.250	6.50
Undecided	3	.8	2.4	-1.50	2.25	1.80
Disagree	2	1	2	-2.50	6.25	6.25
Strongly Disagree	1	.6	.6	-3.50	12.25	7.35
		Σf=80	Σfx=367			34.80

$\Sigma fx / \Sigma f = 367 / 80 = 4.50$, $x̄ = 4.50$
 Standard deviation $s = \sqrt{\Sigma f(x-x̄)^2 / \Sigma f} = \sqrt{34.80 / 80} = 0.435$
 Standard error of S $= s / \sqrt{n} = 0.435 / 8.94 = 0.048$
 $\mu = x̄ \pm 1.96 s / \sqrt{n}$
 $4.50 + 1.96 (0.048) = 4.50 + .09 = 4.59$
 $4.50 - 1.96 (0.048) = 4.50 - .09 = 4.41$
 At 95% confidence level, the population means fall between the first range 4.59 and another range 4.41. The first boundary 4.59 is chosen as population means.
 $Z = x̄ - \mu / S = 4.50 - 4.59 / .048 = 1.87$
 As we can see the calculated Z score of 1.87 falls outside range of +1.96 the first null hypothesis of the present research study is rejected. That proves that work stress negatively affects the performance of employees in terms of efficiency and productivity.

Research Findings:

After analysis, we can draw the inference that-

- It has been found that lack of proper and healthy working conditions leads work stress among bank executives. Inadequate resources, nature of work itself, insufficient information and lack of career prospects at work place also causes low satisfaction and motivation. And low satisfaction and motivation leads to poor performance and productivity.
- Stressors associated with the job role i.e. overloaded role and over expectations (personal/subordinates/organizational) leads to stress among employees

- Interpersonal and intrapersonal conflicts are also the major reason of stress amongst employees.
- Employees who are overloaded and facing over expectations (personal/subordinates/organizational) find difficult to maintain congenial relationship with subordinates and that leads conflicts and stress at work place.
- Stress largely increases the level of fear, anger, anxiety and nervousness. And simultaneously reduces the level of satisfaction and confidence among employees which causes behavioural consequences and physiological consequences.
- It was proved at 95% level of confidence on the basis of Z-test (Z=1.87) that occupational/work stress affects the performance of employees in terms of efficiency and productivity.

Suggestions of the study:

- On the basis of above findings, we can make few of the recommendations as follow-
- Proper and healthy working conditions to be provided along with all required resources and information. Task and duties to be assigned only on the basis of their competencies and interest.
 - Strong career planning and development for all the employees to make them satisfied and motivated at work.
 - Before assigning any role to employees should be confronted with the same and there should be clarity in thought while accepting job roles.
 - Congenial work environment to be provided to promote healthy interpersonal relationship.
 - Organizations can also use few more interventions for stress management namely regular counseling sessions, time management and behavioural training, employee wellness program and sessions like art of living etc.

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