

Impact of Stress on Employees Job Performance

A Study on Banking Sector of Pakistan

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Abstract

Bankers are under a great deal of stress and due to many antecedents of stress such as Overload, Role ambiguity, Role conflict, Responsibility for people, Participation, Lack of feedback, Keeping up with rapid technological change. Being in an innovative role, Career development, Organizational structure and climate, and Recent episodic events. One of the affected outcomes of stress is on job performance. This study examines the relationship between job stress and job performance on bank employees of banking sector in Pakistan. The study tests the purpose model in relation of job stress and its impact on job performance by using (n=144) data of graduate, senior employees including managers and customers services officers of well reputed growing bank in Pakistan. The data obtained through questioners was analyzed by statistical test correlation and regression and reliabilities were also confirmed. The results are significant with negative correlation between job stress and job performances and shows that job stress significantly reduce the performance of an individual. The results suggest that organization should facilitate supportive culture within the working atmosphere of the organization.

Keywords: Job performance, Stress, Banks

1. Introduction

Over the past few decades stress is emerging as an increasing problem in organizations. Stress is vigorous state in which a person is confronted with an opportunity, demand, or resource related to what the individual wishes and for which the outcome is perceived to be both vague and vital. (Selye, 1936) first introduced the idea of stress in to the life science. He defined stress as the force, pressure, or tension subjected upon an individual who resists these forces and attempt to uphold its true state. Basically what is stress? The HSE (Health Safety Executive Uk) defines stress is an undesirable response people have to tremendous pressures or other types of demands placed upon them. It arises when they worry they cannot deal with. Some stress can be good, and some can be bad. HSE distinguishes between stress and pressure. Pressure is seen as positive and something that actually helps improve our performance. We all need a certain amount of pressure to perform well - ask any athlete, actor or actress. However, the problems arise when the sources of pressure become too frequent without time to recover, or when just one source of pressure is too great for us to cope with.

Stress can be understood more comprehensively as, it is a condition which happens when one realizes the pressures on them, or the requirements of a situation, are wider than their recognition that they can handle. If these requirements are huge and continue for a longer period of time without any interval, mental, physical or behavioral problems may occur, (*Health & Safety Executive UK*). Stress has a positive effect on employees of any organization but up to a certain extent up to which an employee can cope with it, mostly it exceeds the bearable limits and have a negative result on employees. This is the base of the research study which has not yet been conducted in Pakistan. A lot of work has been conducted outside Pakistan. Number of studies has been conducted in different area of world but a huge gap exists in third world countries like Pakistan. The purpose of this study is to examine stress in employees of banking sector of Pakistan

2. Review of Literature

Stress is an unwanted reaction people have to severe pressures or other types of demands placed upon them. A huge and multi fields literature points a lot of key factors such as work environment, management support, work

load etc in determining the stressful the work can be and its effect on employee physical and mental health, (Ganster & Loghan, 2005). According to (Anderson, 2002) work to family conflicts is also a predecessor which creates stress in employees of an organization. Job stress has been also viewed as dysfunctional for organizations and their members (Kahn, Wolfe, Quinn, Snoek, & Rosenthal, 1964). Although stress has been variously viewed as an environmental stimulus to an individual (Kahn et al., 1964) Selye, 1956 defined stress as an individual's reaction to an environmental force that effect an individual performance. Job related stress can be mostly immobilizing because of its possible threats to family functioning and individual performance. Job related stress can create an difference between demands on families and the ability of families to provide material security for them (McCubbin & Figley, 1983). While there is a significant body of research which deals with work and family there is relatively little research (e.g., Jacobson, 1987) which deals specifically with perceived job insecurity (i.e., concerns or fears about job loss) and marriage and family life (e.g., Buss & Redburn, 1983). Stress condition which happens when one realizes the pressures on them, or the requirements of a situation, are wider than their recognition that they can handle, if these requirements are huge and continue for a longer period of time with out any interval, mental, physical or behavior problems may occur, (*Health & Safety Executive UK*).

Stress exists in every organization either big or small the work places and organizations have become so much complex due to which it exists, work place stress has significant effects over the employees job performance, and the organizations in Uk are trying to cope with this scenario, (R. Anderson, 2003). Eleven forces are used as an antecedents of stress by researches (Overload, Role vagueness, Role conflict, Responsibility for people, Participation, Lack of feedback, Keeping up with quick technological change, Being in an innovative role, Career growth, Organizational structure and environment, and Recent episodic events.,) Overload :excessive work or work that is outside one's capability(French and Caplan ,1972; Margolis et al, 1974 ; Russek and Zohman, 1958) Role Ambiguity : Role insufficient information concerning powers, authority and duties to perform one's role (French and Caplan, 1972; Kahn, et al, 1964), Role Conflict: Supervisors or subordinates place contradictory demands on the individual(Beehr et al, 1976; Caplan and Jones, 1975; Caplan, et al, 1975; Hall and Gordon, 1973; Kahn et al, 1964) Responsibility for people: Responsibility for people, well-being works, job security, and professional development (French and Caplan, 1972; Pincherle, 1972) Participation: Extent to which one has influence over decisions relevant to one's job (Kasl, 1973) Margolis et al, 1974). Lack of Feedback: Lack of information about job performance (Adams, 1980 Cassel, 1974) Keeping up with rapid technological change: Keeping up with rapid changes in the information processing field (Ginzburg, 1967) Being in an innovative role: Having to bring about change in the organization (Kahn, et al.1964) Lawrence and Lorsch 1970. Career development: Impact of status dissimilarity, lack of job security, let down ambition (Brook 1973) Erikson and Gunderson 1972; Kahn, et al. 1964) Recent episodic events: Certain life events, such as divorce and bereavement, that are highly stressful (Adams 1980 ; Cobb, 1977 Holmes and Rahe 1975).

(Rose, 2003) In every organization and at every level of management and workers an elevated average level of stress is to be found which mostly has an effect on employee's job satisfaction. According to (Rose ,2003) employees have tendency towards high level of stress regarding time, working for longer hours which reduces employees urge for performing better. Management support helps in reducing or increases stress in employees, (Stamper & Johlke, 2003) apparent organizational assistance, management support work as a cushion which acts positively in decreasing work related stress in employees. There are a lot of reasons causing stress work family conflicts work over load one of reason indentified by (Stamper & Johlke ,2003) that if the organization or management does not appreciates its employees for their hard work or contribution toward the organization creates stress and mostly creates intention to leave. (Ivancevich & Donnelly, 1975) studied the link between anxiety stress with satisfaction and performance of employees, that lower anxiety stress improves performance of employee's which he studied in different managerial level of an organization. (Beehr, Jex, Stacy & Murray, 2000) found the relationship between occupational stressors an the performance of employees of an organization as well as it can affect the employees psychologically. (Jamal, 1984) studied a association between job stress and job performance between managers and blue-collar employees. Stress on job can be stated as the outcome of an individual due to the working environment from which he feels unsecured. Different relationships are projected between job stress and performance: U-shaped and curvilinear, positive linear, negative linear and no relationship between the stress and performance. A random sample of 305 blue-collar and 325 managerial workers in Canadian firm are surveyed through structured questionnaire. Variables used for this study were job stress, job performance, and organizational commitment. A negative linear relationship between job stress and job performance was found. Very limited evidence is seen for curvilinear or no association.

3. Theoretical Framework & Methodology

The present study was conducted among employees of a well reputed growing bank in Pakistan who has three categories under which employees fall those are FTE (Fixed Tenure Employees) bank contract and third party contract employees. The data was collected by means of a structured questionnaire with the help of supervisors and managers, copies of the questionnaire were given to respondents by hand. As the study is pointed towards employee stress and job performance, target sample source is well reputed growing bank in Pakistan, due to time and budget limitations convenient sampling technique is used to explore the relationship between stress and job performance of employees, my sample size is 144. The majority of respondents were male (87%) and married (79%). The average respondent was 39 years of age, having graduate and postgraduate qualifications.

HYPOTHESIS: *Job stress is negatively associated to job performance of employees*

3.1 Job Related Stress

3.1.1 Description

Four stressors work conflicts, resource inadequacy, work overload and work ambiguity this measure was designed by Khan, Wolfe, Quinn, and Snoek (1964). It described employee perception of job stress using 15 items asking about the incidence of stressful occurrences and the degree of role burden. This scale evaluate psychological indications of stress, such as feeling of over burdened with work, not having the adequate resources and tools to complete given tasks or projects, and usually being incapable to handle all of the work. In many studies, the items have been used to form subscales for role uncertainty, role overload, and resources insufficiency (Jamal, 1990; Shirom & Mayer, 1993). The scale is rated on five likert scale form 1=strongly disagree to 5= strongly agree.

3.1.2 Validity

Job-related tension linked positively with troubles at work, work participation, work expectations, lack of mental support from a mentor, and family exception (Abraham & Hansson, 1996; Duxbury & Higgins, 1991; Seibert, 1999). Job tension linked negatively with quality of work life, job satisfaction, goal accomplishment, organizational commitment, self-esteem at work, quality of family life, and life satisfaction (Abraham & Hansson, 1996; Duxbury & Higgins, 1991; Seibert, 1991). In Jamal (1990), the job tension subscales for role ambiguity, role overload, and resource inadequacy all correlated positively with psychosomatic problems. All the subscales except role overload correlated negatively with job satisfaction. In Shirom and Mayer (1993), role overload correlated positively with parent teacher conflict, teacher conflict, teacher-principal conflict, role overload correlated positively with parent teacher conflict, teacher-principal conflict, and work-home conflict.

3.2 Job Performance (In Role Behavior)

This measure was developed by Williams and Anderson (1991). It uses 21 items to describe three types of organizational citizenship behaviors. These are behaviors directed at specific individuals (OCBI), Behaviors directed at an organization (OCBO), an employees in-role behaviors (IRB). In this paper only the in role behavior scale having five items was used as mentioned in appendix A the scale is rated on five likert scale form 1=strongly disagree to 5= strongly agree

The questionnaire was exclusively filled by the line managers and supervisors of the employees and was kept personal form the employees and no information was leaked

4. Results & Discussion

The reliabilities of both the dependent variable and independent variable are shown in table 1(a) and table (b) which are 0.694 and .637 respectively, in table the relationship between job stress and job performance is negatively correlated at significance level of P .01 that is correlation is significant. In table 2 (a) and 2 (b) as the value of beta is -.527 that shows 52.7 means that for every one percent increase in job stress will have an effect of 52.7 effect on job performance which is negatively correlated to job stress. In other words 52.7 of job performance is being effected by job stress and the remaining by other factors. Regression analysis shows that relationship between job stress and job performance is proved the value of R square .278 it shows that the impact of job stress on job performance is 27.8% is explained. The purpose of this study was to find out the relationship between the job stress and job performance of employees of banking sector in Pakistan. As per hypothesis job stress had a negative relation with job performance that when stress occurs it effects the performance of employees negatively, (Ivancevich & Donnelly, 1975) that lower the stress it increases the performance so both these are inversely proportional each other as to the results the correlation in table 2 shows both job stress and job performance is negatively correlated. Management support helps in reducing or increases stress in employees,

(Stamper & Johlke, 2003) apparent organizational assistance, management support work as a cushion which acts positively in decreasing work related stress in employees.

(Rose, 2003) studied the results that the stress in work environment reduces the intention of employees to perform better in jobs with the increasing level of stress the employees thinking demoralize and his tendency to work well also decreases. No doubt stress is necessary for increasing performance of employees but up to a certain level. In this study the employees do their job regularly but due to workloads and time constraints their performance reduces.

Banks timing is mostly from 9am to 5pm in Pakistan but originally there is no time limit so employees have to work for longer hours as compared to other jobs which is also a reason of concern. The study was conducted only in industry that was banking sector and the impact job stress on job performance was measured only in one sector, if we want to generalize the results of this study then this study should be replicated in other sectors of Pakistan as well.

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Table 1(a).

Reliability Statistics of JOB STRESS

Cronbach's Alpha	N of Items
.694	15

Table 1(b).

Reliability Statistics of JOB PERFORMANCE

Cronbach's Alpha	N of Items
.637	5

Table 2 (a). Correlations

Correlations			
		JPMEAN	STMEAN
JPMEAN	Pearson Correlation	1	-.527**
	Sig. (2-tailed)		.000
	N	144	144
STMEAN	Pearson Correlation	-.527**	1
	Sig. (2-tailed)	.000	
	N	144	144

** . Correlation is significant at the 0.01 level (2-tailed).

Table 2 (b).

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.477	.278		19.668	.000
	STMEAN	-.697	.094	-.527	-7.390	.000

a. Dependent Variable: JPMEAN

Table 3. Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	Sig. F Change
1	.527 ^a	.278	-.273	.47798	.278	54.76	.000