

IMPACT OF STRESS ON THE PERFORMANCE OF EMPLOYEES OF BANKS IN KOTLI

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Abstract

This study is focused to determine the impact of stress on the performance of employees in two each branches of two banks i-e UBL and HBL in Kotli Azad Kashmir. Stress is a natural element that exists in every organization and every individual suffers from it regardless of its intensity and level. A total sample of 75 employees was taken from four branches of two banks. Contextual/job related factors, role related factors and personal factors were taken as independent variables for stress while employee's performance was taken as dependent variable. Quantitative research technique was used and this study was cross sectional in nature. Responses were measured on a five point likert scale questionnaire. Data were processed through SPSS version 20 with descriptive statistics, Pearson correlation and linear regression. The results of this research study revealed that stress is responsible for decreasing the performance of employees in banks.

Key Words: - Stress, Performance, Contextual/Job related factors, personal Factors, Quantitative Research, Azad Kashmir.

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Introduction

Human resources are said to be the most valuable and precious resources of any organization. The progress and achievements of organizations greatly depends upon the contribution of its employees. The performance of employees is always measured in term of their productivity. Nowadays organizations are focusing on achieving competitive advantage by exploiting the potential contributions of their employees at large scale. Dishinger (n.d) discussed that the impact of stress can be either positive or negative. The perception about the positivity and negativity of stress varies from person to person as everyone perceives the situation differently. According to Luthan (1998) Stress is a psycho-physiological process, that takes place within an individual through interaction within environment which results in creation of problems and disturbances in psychological, physiological and social system that greatly depends upon personal characteristics and psychological process.

Barden (2001) identified that stress is the major weakness in the working environment and it can hinder the employees to work with full potential and becomes costly for employers as well. Employees feel high level of stress whenever they go through the problems of tight schedules, long working hours which put constraints on employee's performance. (Rose, 2003) noted that employees feel greater stress for prolonged working hour and other time related issues which have a negative impact on employees performance. Negative stress not only adversely affects the employee's performance but it also impedes the organizational outcomes as well. Banking employee's remains under constant working pressure which include longer working hours, sitting body posture and dealing with variety of customers that are the routine matters which demands high level of concentration and commitment. Negligence in any of above mentioned areas can put the employee and organization in to big trouble.

Stamper & Johlke (2003) identified many causative agents of stress i e family conflicts and work overload etc create job stress and they further mentioned that lack of encouragement and appreciation from the administration side escalates the stress which even compel the employee to quit from the job. Role ambiguity, excessive work load, family conflicts and timing issues causes stress and affect employee's performance. Anderson (2006) explored that stress exists in every organization regardless of its size and it affects employee's performance and organizations are trying to tackle this issue. Employees are as valuable as the pillars for sustaining a building which bear whole of it. Strength of these pillars shows the strength of whole building and

strength of employees is the strength of their organization. In banking sector employees have to work for long hours, they have to deal with large number of customers, they have to perform their work with great care and attention because their dealing take place in financial terms. At the same time these financial institutions are passing through this great challenge of employee's stress which impedes their performance.

Problem Statement

Banking employees go through a great deal of stress which affect their performance. So the present study is focused to assess the impact of stress on employee's performance. Therefore the present study deals with this specific question that is there any relation exist between job stress and employee's performance?

Objectives of the Study

1. The overall objective of this study is to determine the relation between job stress and employees performance.
2. The secondary objective of this study is to examine the relation between contextual/job related factors, role related factors and personal factors and employee's performance.

Significance of the Study

This study will assist the bank's administration to take necessary measures for reducing stress among their employees for gaining better performance from them and secondly this study will be a good addition in the existing research.

Literature Review

The most precious resources for any organization are their human resources because achieving of competitive advantage and dominance can only be made possible through human resources. Stress is such an undesirable state by which every employee passes through and which hampers the performance. Harrold and Wayland (2002) noticed that stress affect the employees moral, organizational targets, abesentism, employees turnover, it hinder the career development opportunities for employees and that of organization as well. Organizations are trying to identify the key stress areas and also seeking the solution of these problems and to bring the improvement in organizational processes.

Alexandros et. al., (2003) noticed that the organizational management was also one of the sources that affect stress among the employees. They further mentioned that the managerial role of an organization was one the approach that affected work related stress among employees. Employees in any organization can have job related stress which impedes their performance by decreasing their input. Stress was created when employees were not informed about their responsibilities and authorities which made the things ambiguous and unclear ultimately resulted in a poor performance. Al-Aameri (2003) noticed that workload was a major source of job stress which hindered the performance of employees and reduced organizational efficiency.

Jamal (2007) identified that four types of links could existed between job stress measures and job performance. Work - family or family - work conflict have also been recognized as stress causing aspects by Luo Lu et al, (2008). Jennifer et al.,(2006) found that management of stress include organizational issues i e leadership, collegial support, organizational culture, organizational policies, work schedules, reporting procedures, selection and training for role clarity to maintain the balance between employee and working environment. Bashir & and Ismail (2010) identified job performance as one of the most adversely affected outcomes of stress that needed to be investigated

Rayner and Hoel (1997) found that interaction and relationship between boss and his subordinates including conflicts at work place resulted in stressful outcomes. Collegial attitude, employee's participation in decision making, office politics and lobbying could also result in stressful situation. Subha and Shakeel(2009) argued that employees in the banking sector passed through huge level of stress but the management remained indifferent on this issue. Non responsive attitude of management on stress related factors resulted in lowering the performance of banking employees, badly affecting the organizational good will, turnover among employees etc, Such an alarming situation pushed the management toward finding out the immediate and appropriate solution for enhancing employees satisfaction and their performance. Stress in organizations was also be caused by organizational structural factors which include physical environment such as poor working conditions, poor lightening, noise, heat and other structural factors which include rules and procedures, poor performance appraisal systems and compensation policies, lack of managerial direction and lack of visionary leadership cause stress among employees and lower down their performances (Ogundele, 2005). Anderson (2002) identified that work to family conflicts was also a major source of stress which hindered the

performance of employees in an organization. Poor interpersonal relationship in banking employees caused stressful situation which damaged their abilities and have an adverse impact on their performance. Lack of social interaction particularly the lack of support from colleagues badly affected the employee's performance in the banks.

Holt (1990) suggested that an appropriate solution can be given for resolving stress related issues. The first solution is to recognize or identify the agents of stress and their implication by employee himself and secondly organizations must take stress preventing measures for reducing stress. Robbins and Sanghi (2006) described that stress is always discussed in negative sense but it has positive aspects as well. They further mentioned that stress is also an opportunity which pushes the people to realize their abilities and potential contributions. Cooper (1998) identified three kinds of stress which are Work related factors, individual factors and last but not least the organizational factors which impede the performance. Babin (1998) discussed that performance of an employee is determined by the level of productivity of an employee in comparison with his colleagues on multiple job related behaviors and outcomes. Paul (2002) discussed that there are lot of working environment factors or job stressor which creates stress and make the things difficult and complicated for the employees in all type of organizations. Moreover interpersonal relationships among colleagues or super ordinate and subordinate relationship, attitude of supervisor and other administrative policies and approaches are the causative agents of stress among employees. According to Davey, et al., (2001) timing problems such as long working hours, lack of managerial support and organizational change causes stress among employees and adversely affect their performance (Ferris, et al, 1994). Identified that one of the most important causes of stress was relationship among employees on different levels both managerial and non managerial position. Organizational politics and feelings and desires for have and have not were also identified the major sources of stress.

According to Shahid et al.,(n.d) The performance of individuals also decreased when stress is caused by inability of individual to maintain a reasonable balance between family life and work life as he/she has to spend a lot of time in his/her working. Riggio (2003) noted that in many organizations most of the employees have the feelings of accomplishment of the objectives and job related tasks which could be rewarding and admirable. Work could be in huge quantity and challenging for employees for whom they are pressurized by their bosses, all these situations

create stress and strain among employees which not only cause behavioral problems but also impede their performance.

Methodology

The population of this research study is the employees from two each branches of two banks namely HBL and UBL in Kotli Azad Kashmir. A simple random sampling technique was used and this study is cross sectional in nature. Both primary and secondary sources of data were used and the unit of this study is an individual employee. Data were collected through a five point likert scale questionnaire which was adapted from Salami et al., (2010).

Independent Variables

Stress with its three components

- a)Contextual Factors
- b)Role Related Factors
- c)Personal Factors

Dependent Variable

Employee’s Performance

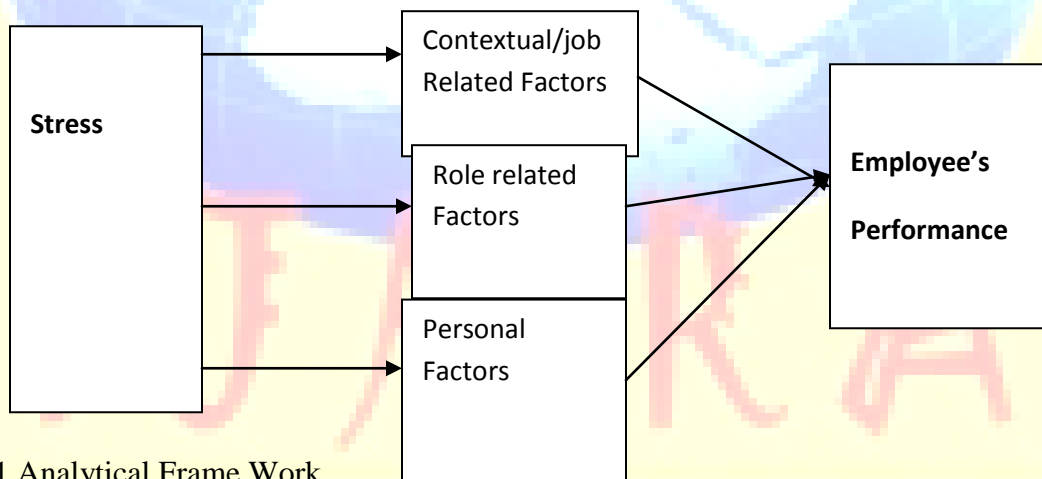


Figure..1.Analytical Frame Work

Source: - Figure drawn from literature

Employee performance has been taken as dependent variable in this research study whereas the independent variables are contextual factors, role related factors and personal factors. The main purpose of the study is to identify the factors contributing job stress and the relationship between job stress and employee performance. Bank employees include operations managers, cash officers, supervisors, credit officers, customer service officers..A total of 75 questionnaires were

distributed out of which 59 questionnaires were properly filled and returned which employees were aged between 20 to 60 years. The questionnaire containing 5-Scale Likert (1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree) was design to test the impact of all the variables. For this study the questionnaire is divided into 2 sections demographic profile and job stress & its impact on employee performance. The data were analyzed through SPSS v.20.

Table.1:-Number of Respondents from two each branches of HBL & UBL Kotli (AJ&K)

Bank	Male	Female
HBL	12	06
UBL	33	08
Total	45	14

Source:-Table developed by Author

The total sample of this study was comprised of 75 employees from two each branches from HBL & UBL kotli, Azad Kashmir. Out of 75 employees, 59 employees properly filled and returned the questionnaires and response rate remained 78.7 which is enough to make analysis and interpretation.

Data processing, Analysis and interpretation

Data were processed through SPSS version 20 and it were analyzed through descriptive statistics like mean, standard deviation and Pearson correlation and linear regression.

Table.2:-Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Contextual/Job-Related Factors	59	2.70	4.00	3.3169	.34649
Role-Related Factors	59	3.00	5.00	3.8008	.45434
Personal Factors	59	2.50	5.00	3.7797	.58921
Effects on Employee/Individual	59	2.40	4.60	3.6339	.48870
Valid N (listwise)	59				

It can be seen from above table that among the independent variable the major source for stress is role related factors which contribute significantly in increasing stress as the mean value for this factor remained 3.8 which shows that respondents are agree on experiencing stress regarding their role related factors, while personal factors ranked second in causing stress as the mean value for this variable remained 3.78 whereas job related factors ranked third in causing stress as the mean value for this variable is 3.32 which shows that respondents response is more than neutral and less then agree.

Table.3:- Pearson's Correlation

		Contextual/Job-Related Factors	Role-Related Factors	Personal Factors	Effects on Employee/Individual	Effect on Organization
Contextual/Job-Related Factors	Pearson Correlation	1	.255	.276*	.147	.107
	Sig. (2-tailed)		.052	.034	.266	.420
	N	59	59	59	59	59
Role-Related Factors	Pearson Correlation	.255	1	.437**	.283*	.416**
	Sig. (2-tailed)	.052		.001	.030	.001
	N	59	59	59	59	59
Personal Factors	Pearson Correlation	.276*	.437**	1	.595**	.562**
	Sig. (2-tailed)	.034	.001		.000	.000
	N	59	59	59	59	59

Pearson Correlation	.147	.283*	.595**	1	.764**
	59	.030	.000	59	.000
		59	59	59	59

*. Correlation is significant at the 0.05 level (2-tailed).

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

The above table confirms that all job stress attributes (job related factors, role related factors and personal factors which are further comprising on 3 items) are positively associated with overall job stress. Role related factors shows the highest positive correlation ($r = .276$) with job stress experienced by job related factors ($r=.255$) and personal factors (work r =job ($r = .34$),) all have positive association with job stress.

Table.4:-Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.596 ^a	.355	.320	.40291

a. Predictors: (Constant), Personal Factors, Contextual/Job-Related Factors, Role-Related Factors

The results of regression analysis indicate that personal factors, contextual factors and role related factors contribute 59.6 percent in causing stress. The value of R Square as shown in above table indicates that 35.5 percent of the variance in employee's performance can be accounted for by contextual factors, role related factors and personal factors. The value of R shows significantly positive relationship between all the variables and job stress. The value of R square shows that model 1 explains 35.5% variance in overall job stress.

Table.5:-Regression Analysis

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	4.924	3	1.641	10.110	.000 ^b
Residual	8.929	55	.162		
Total	13.852	58			

a. Dependent Variable: Effects on Employee/Individual

b. Predictors: (Constant), Personal Factors, Contextual/Job-Related Factors, Role-Related Factors

Table.5:- Regression Analysis and Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.768	.610		2.900	.005
1 Contextual/Job-Related Factors	-.033	.161	-.023	-.204	.839
Role-Related Factors	.035	.131	.032	.266	.791
Personal Factors	.487	.102	.587	4.792	.000

This standardized beta value of- .023 indicates that job related factors are not affecting the job performance whereas other two factors i.e role related factors and personal factors affect the performance of employees. The beta values for these two factors are .032 and .578 respectively which indicate that these two variables affect the performance of employees. It can be seen from above table that the mean scores for these two variables (role related factors with mean scores of 3.8 and personal factors with mean scores of 3.77) remained high as compare to job related factors variables. The relation of role related factors and personal factors with employee's performance are direct and positive.

Discussion

It is worthwhile to note that two sources of job stress emerged as significant predictors of employee's performance in banks. Role related factors and personal factors have a significant impact on decreasing the performance of banking sector employees. The values for descriptive statistics and values obtained through regression analysis indicate that role related factors and personal factors are strongly affecting the employee's performance. Contextual/job related factors and role related factors are the major sources of stress among banking employees. Job related factor/variable is comprised of 10 items include nature of job ,inadequate knowledge ,lack of resources ,lack of information, office politics equipment failure/technological changes ,unexpected promotion, job relocation/transfer, lack of career prospects, poor physical conditions and lack of resources. Role related factors comprised of 4 items include role conflict and role ambiguity, role overload, ethical dilemmas, responsibility for the things. Personal factors comprised of 2 items include responsibility traits, communication conflict. Effects on employees/individual consist on 5 items which include subjective feelings, moral & self esteem, cognitive process, physiological conditions, and behavioral patterns.

Conclusion

On the basis of above findings it can be concluded that a good number of banking employees feel that their job is stressful which decreases their performance. Due to contextual factors employees experience a great deal of stress which impedes their performance. Role related factors are also contributing significantly in causing stress and decreasing employee's performance. Personal factors also contribute in causing stress among employees which reduces their performance. Results obtained through descriptive statistics, correlation and linear regression show that the above mentioned variables are the major causes of stress which decrease the performance of banking employees.

Recommendations

On the basis of findings it can be suggested that the organizations particularly the banks should try to take some sound measures for reducing stress among their employees by identifying the sources of stress. Negligence in this context can bring some unpleasant results not only for the employees but for banks as well.

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