



Impact of Occupational Stress on Employee Performance; Special reference to Banking & Finance sector in Jaffna District.

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Abstract

Occupational stress become important aspect of service employee's wellbeing and performance. Now a days several banks are establishing to capture the customers in competitive banking & finance industry. In order to survive in the market, they are giving more responsibilities for their staff to capture new customers and retain existing customers. In addition, there is a system of rotation in the banks & Finance companies. So, each and every staff is having more burdens through this situation, it become as a stress for them this stress affects the job performance of employees. Therefore, this research mainly focused on how Occupational stress affect the job performance in the banking & finance sector's employees. This study was also intended to make a significant contribution to the field of occupational stress and its impact on employee performance in Sri Lankan perspective. The study was conducted through questionnaire survey and interview from the employees in selected bank and financial institutions in Jaffna district. Stratified random sampling method was used to collect the data from the correspondents. The results of the study showed that the occupational stress has a significant impact on employee performance in banking sector. and results from the hypotheses indicated that there is a significant negative relationship between the occupational stress and employee performance. Finally, the study emphasizes that there is a need to reduce the level of stress of employees in Banking and finance sector for improving the employee performance.

Keywords: Occupational Stress, Employee performance, Bank and Financial Institutions.

1. Introduction

1.1. Back ground

The success of an organization largely depends upon how effectively and efficiency in resources are deploys in order to achieve its objectives and goals. Human resources are considering to be the most important resources. Since, it is people who make things happen, therefore, the performance of employees has a great impact on the success of any organization. The performance of employees is largely depending on the stress possess.

Occupational stress means either caused by or made worse by work. If something is caused by work, there should be evidence that: It began occurring after a period of being at work. It occurs soon after being at work or during work. It does not occur after the activities. If stress is caused by work, then some aspect of the work, the tasks or border job roles that the person has must be identified as a cause. You cannot presume a cause, as people differ. Also, the individual's competency at doing that job or performing in that environment may be the issue.

Stress is a condition of strain that has a direct bearing on emotions thought process and physical condition of a person. The banking & finance sector had under gone rapid and striking changes like policy changes due to globalization and liberalization increased competition due to the entrance of new private banks and finance companies and introduction of new technology. Due to these changes, employees in the banking & finance sector are experiencing a high level of stress. This stress affects the job performance of the employees.

In this juncture, the present study was undertaken to address specific problems of banking & finance sector employees related to occupational stress and it affect the job performance of employees. This study was also intended to make a significant contribution to the field of occupational stress and employee performance in Sri Lankan perspective.

1.2. Research Problem

Occupational stress and job performance are common to every organization. Now a days several banks are establishing to capture the customers in competitive banking & finance industry. In order to survive in the market, the they are giving more responsibilities for their staff to capture new customers and retain existing customers. In addition, there is a system of rotation in the banks & Finance companies. So, each and every staff is having more burdens through this situation, it become as a stress for them this stress affects the job performance of employer or employee. In the organization if the employer or employee work or perform well, the organization can survive in the world. Therefore, this research mainly focused on how Occupational stress affect the job performance in the banking & finance sector's employees.

This research problem can be stated in the following research question.

To what extent occupational stress has impact on employee performance in banking & finance industry.

1.3. Objectives of the Research

This research mainly focused on the following objectives related to occupational stress and employee performance in Banking & Finance industry. The main objective of the study is

To examine the impact of occupational stress on employee performance with special reference to banking & finance sector in Jaffna district

In addition to the main objective, the research focused the following as sub objectives.

1. To examine the factors that determines occupational stress in the sector
2. To analyze the relationship between Occupational stress and employee performance of banking & Finance sector.
3. To identify the significant impact of sub dimensions of occupational stress (Job related, Organizational & Induvial factors) on employee performance.

2. Review of Literature

Literature review consisted of the following outlooks in connection with the research.

3.3.1. Definition of Stress

Hans Selye first introduced the concept of stress in to the life science in 1936. He defined stress as “The force, pressure, or strain exerted upon a material object or person which resist these forces and attempt to maintain its original state.” Stress is ubiquitous in our society. Beehr and Newman (1978) define occupational stress as “A condition arising from the interaction of people and their jobs and characterized by changes within people that force them to deviate from their normal functioning”. Stress is an unwanted reaction people have to severe pressures or other types of demands placed upon them.

3.3.2. Causes of Stress

There causes come from both outside and inside the organization and from the groups that employees are influenced by and from employees themselves

1. Organizational stress

Beside the potential stress that occur outside the organization there are also those associated with the organization itself although the organization is made up of groups and individuals, there are also macro level dimensions, unique to the organization. That contains potentials stressors.

2. Group stressors

The group can be a potential source of stress. There group stressors can be categorizes in to three areas. Such as lack of group cohesiveness, lack of social support and group conflict.

3. Individual stressors

The role at dispositions. In a sense, the stressors discussed so far (extra organizational and group). All eventually get down to the individual level. There is also more research and agreement on possible situation dimensions and individual dispositions which may affect stress out comes.

3.3.3. Consequences of Stress

Low level of stress can enhance job performance. Because the stress will be challenge or stimulation for an individual. But high level of stress can have some consequence. Those consequences can be exhibited physiologically or behaviorally by the individual

3.3.4. Individual difference and stress

Not everybody experience stress in the same way and not everybody responds to stress in the same way. These are strong difference in the ways individual's experiences and respond to stress. The following figure suggestions, there individual difference moderate rate the relationship between the cause and consequences of stress. They influence their jobs as stressful and hoe negatively people react to the stress they do feel.

3.3.5. Managing Stress

Given that stress is wide spread and so potentially disruptive in organizations. People and organizations should be concerned about how to manage it more effectively and effect. They are many strategies have been developed to help manage stress in the work place. As shown in the following figure some are strategies for individuals and other are generated toward organization.

3.3.6. Stress and performance

Stress is always viewed as a negative factor influencing on individual. Stress has two sides. They are -Destructive force and Constructive force.

Destructive side/negative side of the stress hinders individual's performance.

Constructive side of the stress improves the individual's performance.

Moderate level of stress induces to perform well. For example, if we take a student who prepares for an examination, he will definitely enjoy stress level. But the moderate level of stress only encourages the student to perform well. If it goes to high level, it will affect the performance. So, it is clearing that stress brings advantages and disadvantages effects in work place.

3.3.7. Previous Researches

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.

(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.

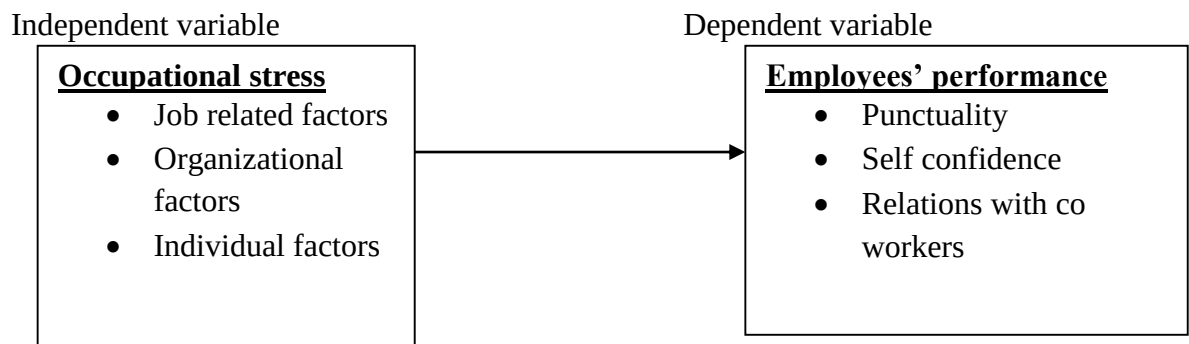
In banking sector particularly higher management doesn't realize the impact of stress on employee performance which ultimately results in critical managerial dilemmas as Subha and shakeel (2009) described "Higher level of stress existed with no managerial concern for solution consequently lowering the employee performance, staking organizational reputation and loss of skilled employees.

According to Anderson (2002) "work to family conflicts is also a predecessor which creates stress in employees of an organization." In banks the poor relationship among employees often cause stress and have adverse effects on the performance of employees.

3. Research Methods

3.1. Conceptual Frame work

In order to undertake any research progressively the frame work related to the important research may be formed as conceptual frame work. So that the result of the research could be easily obtained by this research the relation among the variables could easily be explained. Based on the Literatures, the following conceptual model was constructed



(sources : - Roediger (1980), Seley (1983), and Ferris, Bergin, and Wayne (1988)

The independent variable in this research is further subdivided into dimensions such as job related, organizational related and individual related stressors.

3.3. Population and sample of the study

Sampling is the process of selecting a sufficient number of the right elements from the population (Uma & Roger, 2012). When the research population is seen large or in extreme, the researcher mostly uses samples of research because it is difficult to take as a whole for the research. According to the research, the population consisted of private banks, state banks and Finance companies(PLC only) . Public banks were people's bank, Bank of Ceylon, National savings bank. Private sector banks were commercial bank limited, Hatton national bank, Sampath bank, SDB bank. Twenty Percentage of employees in each sector banks & finance companies was selected using stratified random sampling.

3.4.4.Data collection Methods and techniques

The researchers decided to collect the data as primary and secondary by using the instruments of Structured Questionnaires and interviews.

3.4.5. Data Presentation and Analysis

There were several useful presenting and analyzing methods available to researchers. In this research purpose, Researchers used Bar chart, Pie charts, and Tables for the data presentation.

For the Statistical Analysis Descriptive Statistics, correlation Analysis and Regression Analysis was made through SPSS statistical analysis software.

3.4.6. Hypothesis

Hypothesis is a proposition which the research wants to verify. Hypotheses are generally concerned with the causes of a certain phenomenon or a relationship between two or more variable under investigation. In this range, the following hypotheses were developed to fulfill the specific objectives of this study.

H1: There is a significant negative relationship between occupational stress (job, organization and individual related stress) and employee performance.

H2: There is a significant impact of occupational stress (job, organization and individual related stress) on employee performance.

4.0. Results and Discussion

4.1. Reliability and Validity Analysis

In order to confirm the reliability of the data. The well-known measure of Cronbach's alpha was computed to measure the internal consistency of the measurement items. In addition Manually, (1978) and Hair et al., (2018) recommend that the value of Cronbach's alpha should exceed 0.70, it indicates good internal consistency among data. Even though Cronbach Alphas of 0.6 and above are deemed acceptable in emerging markets (Burgess & Steenkamp, 2006). The respective Cronbach Alphas are reflected in Table 4.1.

Table 4.1. Cronbach Alpha

Dimension	Cronbach's Alpha value
Job Related Factor	0.864
Organizational Factor	0.837
Individual Factor	0.753
Employee Performance	0.812

Source: Analyzed data

It was indicating good internal consistency among the items within each dimension and each variable. And overall Cronbach alpha value was 0.816

Validity test is used to accurately assess the construct for this research study. Meanwhile, convergent validity and discriminate validity were used to establish construct validity. According to Heppner and Heppner (2004) if the two instruments that are intended to measure is highly correlated then it is convergent validity but if the two instruments that are intended to measure is not correlated or small correlation then it is discriminate validity

4.2. Descriptive Statistics

In this research, descriptive statistics have been measured on the independent variables and dependent variable, which consist of job-related factor, organizational factor, individual factor and Employee performance. Results are described in mean, standard deviation and variance and ranked in position of 1 to 7 (Likert scale). The highest result in Mean would determine that respondents are more likely to agree into particular variables.

Table 4.2. The Descriptive statistics of the variables

Dimensions	Mean	Std. Deviation	Variance
Job Related Factor	6.29	0.57	0.33
Organizational Factor	5.98	0.67	0.45
Individual Factor	6.19	0.68	0.46
Employee Performance	6.13	0.97	0.94

Source: Analyzed data

According to Table 4.2, the job related factor has highest mean of 6.29 whereas organizational factor has the lowest mean of 5.98. Even though mean & standard deviation are in the same level among all the constructs approximately. Based on the mean value all the respondents perceived that the occupational stress has majority impact on Employee performance.

4.3. Major Hypothesis findings

The conclusions regarding hypotheses have been made in the following sections.

Summary of the data analysis is given below through the hypotheses testing.

Table 4.3: Hypotheses Testing

Hypotheses	Values scored	Determination	Tools
H1 : There is a significant impact of occupational stress on employee performance	beta = 0.457 (p < 0.05)	Accepted	Regression
H2 : There is a significant negative relationship between occupational stress and employee performance	r = -0.512 (p < 0.05)	Accepted	Correlation

Source: Analyzed data

In this model (see table 4.3), beta (Standardized Coefficient) was 0.457. Which indicate that the impact of occupational stress on employee performance was affected by 45.7%. Relationship indicated by the correlation value was - 0.512. it reveals that there is significant negative relationship between occupational stress and employee performance. Therefore, both hypotheses are accepted.

5. Conclusions

As per the results of descriptive analysis and regression analysis, it could be concluded that occupational stress has significant impact on employee performance in banking and finance industry. Moreover, the study result (correlation analysis) revealed that there is a significant negative relationship between occupational stress and employee performance. As a whole effort of this research, It could be concluded that the occupational stress has more impact on employee performance. In addition to that we recommend the potential researchers to focus on the impact of occupational stress on employee performance in national level and as well as the south Asian continent to come the general conclusion in what extend the occupational stress has impact on Employee performance in other sectors.

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